



A Review of the Division of Medicaid's Non- Emergency Transportation

A Report to the Mississippi Legislature
Report #674
October 4, 2022



PEER Committee

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Becky Currie, Secretary

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.



Joint Legislative Committee on Performance Evaluation and Expenditure Review

PEER Committee

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October 4, 2022

Honorable Tate Reeves, Governor

Honorable Delbert Hosemann, Lieutenant Governor

Honorable Philip Gunn, Speaker of the House

Members of the Mississippi State Legislature

On October 4, 2022, the PEER Committee authorized release of the report titled
A Review of the Division of Medicaid's Non-Emergency Transportation Program.

Representatives

Jerry Turner
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This report does not recommend increased funding or additional staff.

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CONCLUSION: The NET program provides non-emergency transportation for Medicaid beneficiaries to and from covered medical services, as required by federal law. From February 2019 to February 2022, NET averaged 5,199 utilizers per month and 141,714 non-utilizers per month, a 3.5% utilization rate. Non-utilizers comprised 91.5% of NET costs compared to utilizers comprising 8.5% of NET costs over the period from February 2019 to February 2022. MTM reported 58% of total NET trips for CY 2021 was related to dialysis appointments.



BACKGROUND

MISS. CODE ANN. § 43-13-117 (1972) requires the PEER Committee to conduct a performance evaluation of the Division of Medicaid's (DOM) non-emergency transportation (NET) program to evaluate the administration of the program and the providers of transportation services to the program's patients.

Medicaid provides transportation assistance to eligible Medicaid beneficiaries for travel to and from scheduled medical appointments when there are no other means of getting to and/or from the appointment (e.g., person does not own or have access to a vehicle).

States may choose which delivery model to utilize to deliver NET services. Mississippi uses a private brokerage model. Medical Transportation Management, Inc., (MTM) has served as the state's NET broker for Medicaid fee-for-service beneficiaries since 2013.

The NET program offers multiple types of transportation modes, with vehicles that can accommodate any type of accessibility assistance beneficiaries may need (e.g., wheelchair access, ambulances with medical staff).

MTM reported 58% of total NET trips for CY 2021 were related to dialysis appointments.



KEY FINDINGS

- **In 2018, DOM switched to a utilization-based contract, but this contract did not result in any direct cost savings.**
Because of DOM's scoring method for the 2018 invitation for bid, including how DOM weighted bid proposals and the lack of a cost cap for non-utilizer costs, the contract did not result in any direct cost savings.
 - Average NET costs from Feb. 2019 to June 2020: \$3,023,540
 - Average NET costs from Feb. 2019 to Feb. 2022: \$3,557,164
- **Though the number of eligible NET beneficiaries increased, NET utilization has declined since 2019.**
Despite an increase in the number of eligible NET beneficiaries from 124,040 in July 2020 to 308,577 in May 2022, NET utilization declined from 5,925 (from February 2019 to June 2020) to 4,583 (from July 2020 to February 2022).
- **In 2021, DOM negotiated with MTM to reduce the price per non-utilizer from \$25 to \$21.**
This renegotiation reduced the cost cap through September 30, 2023, from \$169,358,094 to \$156,720,628.
- **DOM suspended payment to MTM in January 2022 to avoid exceeding the cost cap in place through September 2022.**
DOM has paid \$119.9 million toward the \$125.0 million cost cap in place through September 30, 2022. If DOM reaches the cost cap, MTM must continue providing NET services.

KEY FINDINGS (continued)

- **After not assessing liquidated damages in 2020 due to COVID-19, DOM assessed \$1,027,750 in liquidated damages against MTM between January 2021 and May 2022.**

Over 60% of the liquidated damages pertained to late pickups from the home, medical provider, or hospital discharge. The next largest category (25%) pertained to instances in which MTM did not immediately move an ineligible driver or vehicle from service.

- **MTM migrated to Reveal, a new scheduling, routing, and dispatching system, in the fall of 2021.**

This new system has resulted in operational issues that impact the scheduling and provision of NET services (e.g., dispatching the wrong mode of transit, trip cancellations prior to beneficiary transport, address errors). DOM and MTM have established an operational council consisting of MTM, DOM, and four NET providers to meet weekly to work through such operational issues.

New Laws

1. Congress passed the Consolidated Appropriations Act of 2021, requiring states to assure necessary transportation for Medicaid beneficiaries to and from covered services.
2. The Legislature passed Senate Bill 2739, 2022 Legislative Session, establishing a permitting process and regulations for all NET providers (e.g., Medicaid NET as well as long-term residential, workers compensation, and rehab services). The permitting process and regulations are implemented by the Mississippi State Department of Health (MSDH). All NET providers must obtain a permit by July 1, 2023, or cease service.

Driver/Vehicle Credentialing

DOM reported MTM has removed 156 drivers and 277 vehicles from the NET program since January 2020, utilizing criteria specified in the Mississippi Administrative Code.

NET drivers and NET vehicles must be approved prior to commencing service. NET drivers must be re-credentialed every 12 months. NET vehicles must pass inspection at least every six months.

As a result of COVID-19 and the Families First Coronavirus Response Act, the number of non-utilizers increased. Non-utilizers comprised 91.5% of NET costs (compared to utilizers comprising 8.5%) over the period from February 2019 to February 2022.

When procuring a new vendor for the 2023 NET contract, the Division of Medicaid should:

- consider altering the payment methodology to more align with services provided;
- address gaps in areas covered by liquidated damages;
- add a clause to permit the assessment of punitive damages;
- amend the beneficiary satisfaction survey process;
- add a method to obtain formal feedback from non-utilizers; and,
- add a method to obtain formal feedback from NET providers.

A Review of the Division of Medicaid's Non-Emergency Transportation Program

Introduction

Authority

MISS. CODE ANN. § 43-13-117 (1972) requires the PEER Committee to conduct a performance evaluation of the Division of Medicaid's (DOM) non-emergency transportation (NET) program to evaluate the administration of the program and the providers of transportation services to the program's patients.

Senate Bill 2836 (2018 Regular Session) mandated PEER's review of DOM and required that PEER's report be delivered to the members of the Senate and House Medicaid committees not later than January 1, 2019. The bill further required PEER to conduct such a review of NET every two years thereafter.

The 2022 report serves as the PEER Committee's fourth review of DOM's NET program.

Scope and Purpose

PEER sought to determine the status and provide an update on the NET program and to determine if the program is functioning in an efficient manner.

PEER sought to do the following:

- determine the status of the NET contract procured in 2018 (i.e., Did DOM exercise its options for two one-year renewals, or did DOM decline one or both options and seek to procure a new NET broker?);
- describe any state and federal law changes since 2020 that impact the NET program;
- describe how DOM administers its NET program;
- determine the factors impacting NET costs since July 1, 2014;
- describe how DOM holds the NET broker accountable for administering the NET program;
- describe credentialing requirements for NET drivers and NET vehicles; and,
- discuss issues that arose related to the NET broker's replacement of its legacy scheduling, routing, and dispatching system in September 2021, and current efforts to address these issues.

Scope Limitation

PEER's review of NET services pertains to the DOM 2018 NET contract with Medical Transportation Management, Inc., for eligible NET beneficiaries. The following Medicaid eligibility groups are not eligible for NET services: Family Planning Waiver, Qualified Medicaid Beneficiary, Qualified Working Disabled Individuals, Specified Low-Income Medicare Beneficiary, and Qualified Individual 1 (QI-1 beneficiaries do not receive full Medicaid benefits).

The NET-eligible population under the 2018 NET contract differs from the 2013 NET contract. NET transportation for beneficiaries residing in all long-term care facilities including nursing facilities, psychiatric residential treatment facilities, and intermediate care facilities for individuals with intellectual disabilities is not the responsibility of the NET broker under this contract.

Additionally, this contract does not include NET services rendered to Medicaid beneficiaries enrolled in the Mississippi Coordinated Access Network (MSCAN). Each of the three managed care organizations (MCOs) providing Medicaid services in Mississippi independently contracts with a NET broker to provide NET services to Medicaid beneficiaries under the MCO's care.

Method

To conduct this analysis:

- reviewed applicable federal and state law governing Medicaid NET programs, including the impact of any new laws or changes in laws enacted since the 2020 PEER report;
- reviewed the *June 2021 Report to Congress on Medicaid and CHIP (Report on NET)* from the Medicaid and CHIP Payment and Access Commission (MACPAC) as requested by the U.S. Senate Appropriations Committee;
- reviewed the eligible NET population and participation data;
- reviewed the signed 2013 NET broker contract and the four amendments to the 2013 NET broker contract;
- reviewed the signed 2018 NET broker contract (which includes the 2018 invitation for bids DOM used to procure its NET brokerage services) and the 2021 addendum to the 2018 NET broker contract;
- interviewed applicable DOM staff;
- interviewed the current NET broker's project manager for Mississippi;
- interviewed Mississippi NET providers regarding their experiences as NET providers and issues they have encountered;
- interviewed the Mississippi State Department of Health (MSDH) staff regarding Senate Bill 2739, 2022 Regular Session, which established a permitting process through MSDH for NET providers;
- analyzed NET payment and utilization data to determine the current financial status of the NET program;
- analyzed the current NET program payment methodology;
- reviewed performance measures and reports DOM requires from the NET broker;
- analyzed liquidated damages assessed by DOM to the NET broker from January 2021 to May 2022; and,
- reviewed efforts by DOM and the NET broker to address formal complaints and obtain stakeholder feedback.

Background

This chapter sought to answer the following questions:

- What is NET?
- Who is the current NET broker?
- How much has DOM paid per month for Medicaid NET services since 2014?

What is NET?

As part of the Consolidated Appropriations Act of 2021, Congress codified in statute the Centers for Medicare and Medicaid Services' long-standing regulatory interpretation of section 1902 (a) (4) of the Social Security Act, which generally requires states to assure necessary NET services for Medicaid beneficiaries to and from covered medical services.

NET is a mandatory Medicaid benefit created to help beneficiaries access medically necessary services. As part of the Consolidated Appropriations Act of 2021, Congress codified in statute the Centers for Medicare and Medicaid Services' (CMS) long-standing regulatory interpretation of section 1902 (a) (4) of the Social Security Act, which generally requires states to assure necessary transportation for Medicaid beneficiaries to and from covered services.

Medicaid will provide transportation assistance to eligible Medicaid beneficiaries for travel to and from scheduled medical appointments when there are no other means of getting to and/or from the appointment (e.g., person does not have a vehicle). The services must be medically necessary, covered by Medicaid, and rendered by a Medicaid-approved provider. The eligible beneficiary must not have exceeded any service limits associated with the covered service.

States may choose which delivery model to utilize to deliver NET services. In a report to Congress, MACPAC found there was no consensus as to which model is best. Appendix A on page 42 discusses the various NET delivery models and Appendix B on page 43 the advantages and disadvantages of each model.

Who is the current NET broker?

Medical Transportation Management, Inc., has served as the state's broker for the NET program for Medicaid fee-for-service beneficiaries since it was initially awarded the contract by DOM in 2013, and again in 2018. Since DOM has exercised both of its one-year extensions for the 2018 NET broker contract, it will need to competitively seek a new NET broker by September 30, 2023.

Medical Transportation Management, Inc., (MTM) has served as the state's broker for the NET program for Medicaid fee-for-service beneficiaries since 2013. The 2013 NET contract term was for three years with two optional one-year extensions. DOM utilized a flat-fee (i.e., a firm and fixed

MTM has served as the state's NET broker for Medicaid fee-for-service beneficiaries since 2013.

monthly rate based on the total contract cost) payment methodology as part of the 2013 NET contract.

After the Legislature passed House Bill 1275, 2014 Session, to expand the MSCAN program,¹ which authorized MSCAN providers to provide NET services, DOM amended the contract with MTM in May 2015 to adjust for

DOM's adoption of the managed care service delivery model to provide Medicaid services. At the time, DOM estimated the transition to MSCAN would result in an estimated 330,000 less DOM beneficiaries eligible for NET services under the NET contract with MTM. These Medicaid beneficiaries would receive access to NET services through individual contracts between a NET broker and their respective MSCAN provider.

In May 2017, DOM began a new procurement for a NET broker through a request for proposals. DOM awarded this contract on August 3, 2017, to a NET broker other than MTM. However, this bidder notified DOM on September 25, 2017, that it was rescinding acceptance of the NET broker contract award. DOM cancelled the 2017 procurement before the contract became operational. In order to continue uninterrupted NET services to Medicaid beneficiaries, DOM extended the NET broker contract with MTM until the award of DOM's *NET Invitation for Bids #20180511* (also referred to in this report as the 2018 invitation for bids).

DOM began procurement for NET broker services again in May 2018 and awarded the current NET contract to MTM. DOM switched from a flat-fee payment methodology to a utilization-based payment methodology as part of the 2018 NET procurement process. DOM's 2018 NET contract with MTM began October 1, 2018, and continued through September 30, 2021, with an effective service delivery date under the new contractual requirements beginning February 1, 2019.² The 2018 NET contract term lasted for three years with two optional one-year extensions. DOM has exercised both of its optional one-year extensions. DOM will need to competitively seek a new NET broker prior to the end of the NET contract on September 30, 2023.

How much has DOM paid per month for Medicaid NET services since 2014?

The cost for Medicaid NET services has declined since 2014 from \$3,256,396.08 per month to \$2,641,299.68 per month.

Due to the variation in contract periods, PEER compared costs on a cost-per-month basis. Exhibit 1 on page 6 shows the change in cost per month for NET services under DOM NET contracts with MTM from July 2014 to September 2022. For the 2018 utilization-based NET contract, PEER allocated the costs allowed under the cost cap on a monthly basis.

¹ Mississippi Coordinated Access to Care Network – a coordinated care program designed to improve access to care and quality of care – implemented in accordance with DOM's authority under MISS. CODE ANN. § 43-13-117 (1972).

² The 2018 NET contract included a four-month implementation period from October 1, 2018, to January 31, 2019. MTM included \$0 for implementation costs as part of its 2018 bid. Costs for NET services during this period were paid under the 2013 NET contract amendments 3 and 4.

2013 NET Contract

In 2013, DOM procured NET services on a flat-fee basis for \$117,230,259 for three years from July 1, 2014, to June 30, 2017. This equates to a cost per year of \$39,076,753 (\$3,256,396.08 per month).

PEER assumed that the cost for the 2013 NET contract's four-month implementation period from March 1 to June 30, 2014, was \$0, since the 2018 NET contract's four-month implementation period's cost was \$0 and the 2013 NET contract did not specify an amount.

After the Legislature passed H.B. 1275, DOM amended the NET contract with MTM in May 2015 to reduce the total not-to-exceed cost for NET services from \$117,230,259 to \$109,272,480.00.

Utilizing its first one-year renewal option under the contract, DOM extended the NET contract with MTM from July 1, 2017, to February 28, 2018, but at a lower rate of \$2,931,229.75 per month.

In May 2017, DOM began procurement for a new NET broker. DOM awarded the NET contract on August 3, 2017, to a NET broker other than MTM, but this broker rescinded the NET contract award. DOM utilized its second one-year renewal option under the 2013 NET contract with MTM, but at a higher rate of \$3,195,095.40 per month. This rate served as the contract rate for NET services from March 1, 2018, to January 31, 2019.

2018 NET Contract

In 2018, DOM procured NET services using a utilization-based payment methodology with a cost cap for the first 32 months not to exceed \$96,776,053.76. This equates to a cost per year of \$36,291,020.16 (or \$3,024,251.68 per month).

Since the last PEER report was issued in 2020, DOM exercised the first of its two one-year extension options to extend the NET contract for the fourth year of the contract. As part of such, DOM negotiated with MTM to reduce the amount DOM pays per NET non-utilizer from \$25 to \$21, effective January 2021. To do so, DOM and MTM amended the NET contract in 2021 to:

- extend the contract through September 30, 2022; and,
- reduce the amount paid per non-utilizer from \$25 to \$21, effective January 2021.

Reducing costs paid per non-utilizer had the following impact:

- reduced the allowable amount per month (based on the cost cap) by 12% from \$3,024,251.68 to \$2,641,299.68; and,
- reduced the 4-year NET contract cost cap from \$133,067,073.92 to \$125,025,081.92 (a reduction of \$8,041,992) through September 30, 2022.

If renewed for the final year, the five-year NET contract (i.e., October 2018 to September 2023) cost cap would be reduced by \$12,637,465.98 (i.e., from \$169,358,094.08 to \$156,720,628.10).

PPRB approved the 2018 NET contract for the final one-year optional renewal (October 1, 2022, to September 30, 2023) between DOM and MTM on September 7, 2022.

Exhibit 1: Cost per Month for NET Services under DOM NET Contracts with MTM, July 2014 to September 2022

NET Contract	NET Contract Period	Period Cost	Total Not-to-exceed Cost	Cost per Month
2013 Contract ¹ – Initial	36 months – July 1, 2014, to July 1, 2017	\$117,230,259.00	\$117,230,259.00	\$3,256,396.08
DOM amended the initial 2013 contract to reduce the cost cap due to the transition of an estimated 330,000 Medicaid beneficiaries from Medicaid fee-for-service to MSCAN.			\$109,272,480.00	\$3,035,346.67
Amendment 2	8 months – July 1, 2017, to February 28, 2018	\$23,449,838.00	\$132,722,318.00	\$2,931,229.75
Amendments 3/4	11 months – March 1, 2018, to January 31, 2019	\$35,145,495.00	\$167,867,758.00	\$3,195,095.00
2018 Contract – Initial	32 months – February 1, 2019, to September 30, 2021	\$96,776,053.73	\$96,776,053.73	\$3,024,251.68
Amendment 1 – Part 1	23 months – February 1, 2019, to December 31, 2020	\$69,557,778.86	\$69,557,778.86	\$3,024,251.68
Amendment 1 – Part 2	21 months – January 1, 2021, to September 30, 2022	\$55,467,293.30	\$125,025,072.16	\$2,641,299.68
Renewal 2	12 months – October 1, 2022, to September 30, 2023	\$31,695,569.16	\$156,720,628.10	\$2,641,299.68

1. PEER assumed \$0 for implementation costs for the 2013 NET contract, since the 2013 NET contract did not specify a dollar amount for implementation costs, and the 2018 NET contract included \$0 for implementation costs.

SOURCE: DOM NET contracts for 2013 and 2018, as well as applicable contract renewal documents in 2017 and 2021

Mississippi Division of Medicaid's NET Program

This chapter sought to answer the following questions:

- What is the mission of the NET program?
- How does DOM structure its NET program?
- How many beneficiaries utilize the NET program?
- What types of trips are provided through the NET program?
- How do DOM and MTM credential NET drivers and vehicles?

What is the mission of the NET program?

The mission of DOM's NET program is to improve access to Medicaid-covered services for persons eligible for Medicaid in Mississippi.

According to the 2018 NET invitation for bids, the mission of the NET program is to improve access to Medicaid-covered services for persons eligible for Medicaid in Mississippi. The objectives of the NET program are to ensure that transportation services made available are:

- similar in scope and duration throughout the state;
- consistent with the best interest of the state's Medicaid beneficiaries; and,
- prompt, cost-effective, and efficient.

NET services are available for Medicaid-eligible beneficiaries that have no other means of available transportation to access Medicaid services rendered by an enrolled Mississippi Medicaid provider.

How does DOM structure its NET program?

For Medicaid fee-for-service beneficiaries, DOM utilizes the private brokerage service delivery model to provide trips to and from scheduled appointments for eligible Medicaid beneficiaries. In this model, the state contracts with a private company to connect riders with transportation providers.

DOM utilizes the private brokerage model to provide NET services to its Medicaid fee-for-service beneficiaries. In this model, states competitively procure a private, for-profit company to work as

an intermediary between transportation providers and eligible riders. States usually make capitated³ payments to the broker for each eligible rider.

Per 42 U.S. Code § 1396a (a) (70),⁴ states that choose to use the private brokerage model may enter into contracts with individuals or entities to provide NET services by meeting the following requirements:

- maintain proof of cost-efficiency;
- use a competitive procurement process in selecting a broker;
- implement procedures for auditing and overseeing brokerages for quality; and,
- comply with the prohibition on self-referrals.⁵

DOM utilizes a private brokerage service delivery model. This means that the state contracts with a private company to connect riders with transportation providers.

The NET broker contracts with NET transportation providers in order to provide the actual NET services (rides). DOM requires MTM to have a minimum of two NET providers per county and 46 NET providers on contract with the broker at all times. (MTM complied with this requirement as of June 30, 2022.) Responsibilities of the NET broker include:

- establishing a network of NET providers;
- scheduling and coordinating NET rides; and,
- reimbursing NET providers for trips.

A Medicaid beneficiary wanting to utilize the NET program must contact the NET broker to schedule NET services.⁶ Before connecting riders with transportation providers, the broker must ensure that Medicaid beneficiaries meet the requirements to be eligible for the NET program.

How many beneficiaries utilize the NET program?

For the period February 2019 to February 2022, the 2018 NET contract covered an average of 146,913 Medicaid fee-for-service beneficiaries per month. DOM averaged 5,199 utilizers and 141,714 non-utilizers per month. MTM reported 58% of total NET trips for CY 2021 were related to dialysis appointments.

Although a Medicaid beneficiary may be eligible to participate in the NET program, he or she may choose whether or not to utilize services. DOM tracks NET usage through two primary metrics:

- the number of trips, by trip mode; and,
- the number of utilizers versus non-utilizers, by trip mode.

³ An established flat rate of payment per person served, typically per month, not based on the amount of service that each individual receives.

⁴ May also be referred to as 42 Code of Federal Regulations Section 440.170.

⁵ A state cannot refer a beneficiary to a provider in which the state has a financial interest.

⁶ The beneficiary's family members, guardians or representatives, and/or Mississippi Medicaid providers (medical providers) may request a NET ride on the beneficiary's behalf.

Nationally, the 2020 MACPAC report found less than 5% of Medicaid beneficiaries used NET in FY 2018.⁷

For beneficiaries who do use NET, it plays a vital role in facilitating access to care. The MACPAC report found the most frequent users of NET include beneficiaries who are eligible for Medicaid on the basis of disability or age and those with certain conditions, including end-stage renal disease, intellectual or developmental disabilities, substance abuse disorder, or behavioral health conditions.

From February 2019 to February 2022, DOM averaged 5,199 utilizers and 141,714 non-utilizers per month.

In its 2021 Annual Report, MTM reported that it provided on average 2,001 daily trips on core days (Monday through Friday). In CY 2021, over half (58%) of total NET trips were related to dialysis appointments. The next greatest reasons for total NET trips were attributed to appointments for specialty care (15%), primary care (5%), and physical therapy (5%).

What types of trips are provided through the NET program?

Under the current operational phase of the NET broker contract, between February 2019 and June 2022, the Mississippi NET program provided 2,294,099 NET trips to Medicaid beneficiaries. The three most utilized NET categories were ambulatory (64.3%), wheelchair (17.4%), and gas reimbursements (16.8%).

The NET program offers multiple types of transportation modes, with vehicles that can accommodate any type of accessibility assistance beneficiaries may need (e.g., wheelchair access, ambulances with medical staff). See Appendix C on page 44 for a description of each mode of transportation of the NET broker in the 2018 NET contract.

Between February 2019 and June 2022, the NET program has provided 2,294,099 trips to Medicaid NET beneficiaries. Exhibit 2 on page 10 shows the occurrence of NET trips, by mode. A trip is defined as transporting a NET beneficiary from point A (e.g., their residence) to point B (e.g., their medical provider's office). It is likely each beneficiary will incur two trips per medical appointment unless arranging a ride from a family member post appointment.

Over this period, the three most utilized categories of non-emergency transportation were ambulatory (64.3%), wheelchair (17.4%), and gas reimbursements (16.8%).

Exhibit 2 on page 10 demonstrates the frequency of each mode of NET trip. From February 2019 to June 2022, the three most utilized categories of non-emergency transportation were ambulatory (64.3%), wheelchair (17.4%), and gas reimbursements (16.8%).

⁷ MACPAC analysis of Transformed Medicaid Statistical Information System (T-MSIS) Data, the national Medicaid and Medicare database.

Exhibit 2: NET Trips, by Mode Type, February 2019 to June 2022

Period	Trips	Percent of Trips
Ambulatory Mode		
Ambulatory	1,475,010	64.3%
Bus	338	Less than 0.02%
Gas Reimbursement	384,822	16.8%
Total Ambulatory Mode	1,860,170	81.1%
Advanced Mode		
Ambulance	16,953	0.7%
Stretcher	17,705	0.8%
Wheelchair	399,171	17.4%
Total Advanced Mode	433,829	18.9%
Other	100	Less than 0.005%
Total (February 2019 to June 2022)	2,294,099	100.0%

SOURCE: PEER analysis of NET trip data provided by the Division of Medicaid.

How do DOM and MTM credential NET drivers and vehicles?

DOM assigns the responsibility for credentialing NET drivers and vehicles to MTM, with the criteria specified in the *Mississippi Administrative Code*. NET drivers must be approved prior to commencing service, and then every twelve months. NET vehicles must be approved prior to commencing service, and then pass inspection at least every six months. NET providers must provide additional documentation, such as proof of automobile liability insurance, provider audit, and worker’s compensation.

According to Title 23, part 201, Chapter 2, Rule 2.1 (B) (9) of the *Mississippi Administrative Code*, the NET broker is responsible for maintaining “a current [DOM] approved NET provider Manual/Operations Procedure Manual.” Prior to authorizing service, MTM requires NET providers initially submit documentation (e.g., proof of insurance, driver’s license) or successfully complete tasks (e.g., fraud, waste, and abuse training; vehicle inspection) pertaining to the NET provider, each active NET driver, and each active NET vehicle. Exhibit 3 on page 11 lists the credentials MTM requires for NET providers (commercial) before authorization and activation into the NET program.

Exhibit 3: Minimum Documentation Required for NET Providers, NET Drivers, and NET Vehicles to Participate in the NET Program

Category	Document	Renewal Timeframe
NET Providers	Automobile Liability Insurance	Duration of Effectiveness
	Disclosure of Ownership Form	Duration of Effectiveness
	Federal ID (W-9)	Duration of Effectiveness
	Fraud, Waste, and Abuse Training	12 Months
	General Liability Insurance	Duration of Effectiveness
	Office of Inspector General Exclusion List Check	Monthly
	Provider Audit	6 Months
	Service Agreement	Duration of Effectiveness
	Training Attestation	12 Months
	Workers' Compensation	Duration of Effectiveness
NET Drivers	Background Check	12 Months
	Driver's License	Duration of Effectiveness
	Driving Record	12 Months
	Drug Screen	12 Months
	Fingerprint Check	12 Months
	Mississippi Sex Offender Registry	12 Months
NET Vehicles	Vehicle Inspection	6 Months
	Vehicle License Registration	Duration of Effectiveness

SOURCE: MTM 2021 Annual Report.

NET brokers must repeat the criminal background check process annually for each NET driver. Additionally, Rule 2.6 (B) (2) requires the NET broker to ensure NET drivers are at least eighteen (18) years of age and have a valid driver's license to operate the assigned vehicle.

According to Title 23, part 201, Chapter 2, Rule 2.6 (D), the NET broker must ensure a NET driver is removed from NET service if he/she:

- fails an annual random drug test;
- has a suspended or revoked driver's license for moving traffic violations in the previous five years;
- is convicted of two moving violations or accidents related to transportation provided under the NET program; or,
- is convicted of any federal or state crime listed in MISS. CODE ANN. § 43-13-121 (1972).

DOM stated that the annual drug test requirement has been the primary barrier to adding rideshare companies to the NET program, in part because Uber and Lyft do not require drug testing. These drivers could seek to sign up for NET as independent contractors through a NET provider, or as volunteer drivers through MTM, but would have to comply with NET driver and vehicle requirements.

NET Vehicle Requirements

According to Title 23, part 201, Chapter 2, Rule 2.1 (B) (11), the NET broker must ensure vehicles meet DOM's minimum requirements by conducting vehicle inspections. Title 23, part 201, Chapter 2, Rule 2.7 of the *Mississippi Administrative Code* outlines the vehicle requirements NET providers must meet. Per *Mississippi Administrative Code*, MTM must initially inspect all NET vehicles prior to service and biannually reinspect all NET vehicles. If a vehicle is determined to not meet DOM and MTM requirements, the vehicle is denied approval. If an existing NET vehicle does not meet these requirements, the vehicle must be immediately removed from active service.

If a vehicle is determined to not meet DOM and MTM requirements, the vehicle is denied approval. If an existing NET vehicle does not meet these requirements, the vehicle must be immediately removed from active service.

Exhibit 4 on page 12 lists the criteria for inspection. Inspections must be documented with the inspection reports submitted to DOM no later than the fifteenth day of the month following the inspection. DOM and MTM meet weekly to review the results of MTM's vehicle inspections and discuss any problems that have arisen.

Exhibit 4: NET Vehicle Inspection Criteria

All vehicles used for transport must:

- adhere to all federal, state, county, or local laws and ordinances;
- not exceed the vehicle manufacturer's approved seating capacity for number of persons in the vehicle, including the driver;
- have a functioning heating and air-conditioning system which maintains a temperature comfortable to the beneficiary at all times;
- have functioning seat belts and restraints as required by federal, state, county, or local statute or ordinance, including:
 - have at least two seat belt extensions available; and
 - be equipped with at least one seat belt cutter within easy reach of the driver for use in emergency situations;
- have an accurate, operating speedometer and odometer;
- be operated within the manufacturer's safe operating standards at all times;
- have two exterior rear-view mirrors, one on each side of the vehicle;
- be equipped with an interior mirror for monitoring the passenger compartment;
- have a clean exterior free of broken mirrors or windows, excessive grime, major dents, or paint damage that detracts from the overall appearance of the vehicle;
- display the NET provider's business name and telephone number in a minimum of three (3) inch high lettering in a color that contrasts with the surrounding background on at least both sides of the exterior of the vehicle and have:
 - no words displayed on the interior or exterior of the vehicle indicating Medicaid beneficiaries are being transported; or,

- a NET provider's business name which does not imply Medicaid beneficiaries are being transported;
- be non-smoking at all times with a visible interior sign in all capital letters that reads: "No smoking;"
- have a vehicle information packet containing vehicle registration, insurance card, and accident procedures and forms;
- be equipped with a first aid kit stocked with antiseptic cleansing wipes, antibiotic ointment, assorted sizes of adhesive and gauze bandages, tape, scissors, latex-free or other impermeable gloves, and sterile eyewash;
- be equipped with an appropriate working fire extinguisher stored in a safe, secure location;
- have insurance coverage for all vehicles at all times in compliance with state law and any county or city ordinance;
- be equipped with a "spill kit" that includes liquid spill absorbent, latex-free or other impermeable gloves, hazardous waste disposal bags, scrub brush, disinfectant, and deodorizer; and,
- be in compliance with applicable Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation.

SOURCE: *Mississippi Administrative Code, Title 23, part 201, Chapter 2, Rule 2.7.*

Additionally, MTM must:

- have in its network NET providers with the capability to perform bariatric transports of beneficiaries up to 800 pounds;
- maintain documentation on the lifting capacity of each vehicle in its network to timely schedule transports for beneficiaries requiring a lift;
- require every vehicle in a net provider's fleet to have a real-time link via a phone or two-way radio (pagers are not acceptable as a substitute); and,
- test all communication equipment during regularly scheduled vehicle inspections.

Authorized employees of DOM or the NET broker must immediately remove from service any vehicle or NET driver found to be out of compliance with *Mississippi Administrative Code, Part 201, Rule 2.1*, or with any federal or state regulations. The vehicle or NET driver may be returned to service only after the NET broker verifies the deficiencies have been corrected. Any deficiencies and actions taken to remedy deficiencies must be documented and become a part of the vehicle's and the NET driver's permanent records.

How does DOM hold MTM accountable for administering the NET program?

This chapter sought to answer the following questions:

- How does DOM enforce noncompliance with contract performance standards?
- What efforts do DOM and MTM use to obtain stakeholder feedback?
- What data does DOM collect to determine how much it costs to provide NET services to utilizers?

How does DOM enforce noncompliance with contract performance standards?

DOM utilizes 22 monthly deliverable reports MTM is contractually required to provide to monitor MTM's performance with the 2018 NET contract and determine to what extent to assess liquidated damages for noncompliance. After waiving the assessment of liquidated damages during the initial onset of COVID-19 (March 2020 to December 2020), DOM assessed MTM for \$1,027,750 in liquidated damages for instances of noncompliance from January 2021 to May 2022.

Establish Performance Criteria in NET Contract

DOM outlined the performance measures for the 2018 NET contract in the 2018 NET invitation for bids (which is included as part of the contract), such as beneficiary wait times, trip authorizations, NET driver requirements, and call center operations. For example, the 2018 NET contract requires that a beneficiary's wait time for a scheduled trip should not exceed 15 minutes (60 minutes for a will-call⁸ trip). DOM also requires MTM to have a minimum of two NET providers per county and 46 NET providers on contract with the broker at all times. As of July 22, 2022, MTM complied with this requirement. DOM focuses primarily on 11 performance measures, each with specific monetary penalties for noncompliance (i.e., liquidated damages), listed in Exhibit 5 on page 15.

Exhibit 5 on page 15 demonstrates the primary performance measures for which DOM can assess liquidated damages against MTM for noncompliance, as stated in the 2018 NET contract. Each measure has a specific monetary penalty for noncompliance.

⁸ Will-call refers to a trip that is requested by a beneficiary in real-time, not scheduled in advance.

Exhibit 5: Primary Performance Measures for which DOM Can Assess Liquidated Damages Against MTM for Noncompliance, per the 2018 NET Contract

On-Time Arrival
No more than 2% of the overall scheduled trips shall be late or missed per day, due to the fault of the contractor, NET provider, or driver. The percent of scheduled trips that are late and/or missed daily shall be reported to DOM via a monthly deliverable report.
Timeliness Requirements
Routine NET services: The contractor shall authorize and schedule routine NET services for 98% of all requests within three business days after receipt of the request. The contractor shall authorize and schedule routine NET services for 100% of all requests within ten business days after receipt of a request. The contractor shall report these requirements to DOM via a monthly deliverable report.
Vehicle and Drive Noncompliance Procedures
The contractor shall immediately remove from service any vehicle or driver found to be out of compliance with the invitation for bids, Title 23 of the <i>Mississippi Administrative Code</i> , or with any state or federal regulations. The contractor must notify DOM within one business day of its intention to remove a vehicle or driver from service.
Sufficient Resources (Call Center Operations)
The average monthly speed to answer after the initial automatic voice response is 40 seconds or less. The average monthly abandonment rate is no more than 4%.
Scheduling and Dispatching Trips
The contractor shall receive requests for NET services, screen each request, and, if authorized, schedule and assign the trip to an appropriate NET provider, as follows: <p>"TO TRIP:" The monthly beneficiary waiting time for pickup at their originating site (e.g., home) does not exceed 15 minutes based on the scheduled time of pickup for each NET provider. No more than 5% of these trips shall exceed the 15-minute wait time for pickup per NET provider.</p> <p>"Will Call:" The monthly beneficiary waiting time for will-call pickup from their medically-necessary, covered service (e.g., appointment, pharmacy, screening, doctor visit) does not exceed 60 minutes for each NET provider. A will-call is defined as a beneficiary's call to request the return ride or "will-call" trip. No more than 5% of these trips shall exceed the 60-minute wait time for pickup per NET provider.</p> <p>"HOSPITAL DISCHARGE (R):" The monthly beneficiary waiting time for pickup from their hospital discharge does not exceed one hour after notification of a hospital discharge during regularly scheduled Medicaid provider office hours as defined by DOM. DOM defines regularly scheduled Medicaid provider office hours as the hours between 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding Saturday, Sunday, and federal and state holidays. No more than 5% of these trips shall exceed the 60-minute wait time for pickup per NET provider.</p> <p>"HOSPITAL DISCHARGE (NR):" The monthly beneficiary waiting time for pickup from their hospital discharge does not exceed three hours after notification of a hospital discharge during hours outside of DOM's definition of Medicaid provider office hours. No more than 5% of these trips shall exceed the three-hour wait time for pickup per NET provider.</p>
Provider Daily Trip Logs
The contractor shall require that drivers employed by NET providers maintain daily trip logs containing, at a minimum, the information listed in the invitation for bids (i.e., date of service, number of miles driven). Fixed Route transportation is excluded from this requirement.

SOURCE: PEER analysis of data provided by the Division of Medicaid and *Invitation for Bids #20180511*.

Monthly Vendor Performance for Noncompliance

DOM has not developed a formal checklist that includes the items its staff should conduct as part of its weekly, monthly, or annual NET contract monitoring efforts. DOM stated its standard operating procedures cover the high-level requirements and ensure contract compliance, including assessing liquidated damages against MTM when not in compliance.

Examples of DOM monthly oversight tasks include:

- utilize MTM's data analytics tool to monitor, review, and analyze data in real time;
- review the 22 monthly deliverable reports MTM is required to submit per the 2018 NET contract (e.g., vehicle inspection reports);
- approve any public-facing material developed by MTM (or a NET provider);
- listen to recordings of calls made by beneficiaries to MTM to schedule a ride or file a complaint;
- assess liquidated damages monthly;⁹
- receive and follow-up on complaint calls made to DOM by beneficiaries or NET providers; and,
- participate in a biweekly provider call with MTM.

DOM reviews and focuses on monthly deliverable reports that provide information regarding MTM's compliance with NET performance measures in which liquidated damages can be assessed for instances of noncompliance.

DOM stated the primary benefit of the MTM's data analytics tool is the ability to monitor NET data closer to real time compared to a 30-day lag for data in the monthly deliverable reports. For instance, during COVID-19, DOM permitted MTM to enable call center representatives to work from home. However, DOM determined there was an increase in the error rate related to scheduling trips. As a result, DOM required MTM to reopen the call center office, including requiring representatives working from the office.

DOM utilizes the 22 monthly deliverable reports to assess how MTM and NET providers performed against the performance measures outlined in the contract. DOM focuses primarily on those performance measures in which liquidated damages can be assessed for instances of noncompliance.

Assess Liquidated Damages Against MTM for Noncompliance

DOM, prior to the 2020 report, issued a corrective action plan for MTM, but chose to forego implementing this plan in favor of assessing escalated liquidated damages after MTM failed to comply with the majority of components of its 2019 corrective action plan. In 2020, PEER found that DOM identified ten action items that needed improvement as part of its 2019 corrective

⁹ Excludes the period from March 2020 to December 2020 when DOM waived the assessment of liquidated damages due to the impact of COVID-19.

action plan for MTM (which began on June 21, 2019). DOM extended this corrective action plan to November 1, 2019.

PEER reported as part of the 2020 report that DOM assessed a total of \$1,274,800 in liquidated damages between February 2019 and December 2019.

DOM Waived Assessment of Liquidated Damages, March 2020 to December 2020

DOM waived the assessment of liquidated damages against MTM during the initial onset of the COVID-19 pandemic (March 2020 to December 2020). DOM previously reported that staffing turnover at the onset of 2020 inhibited the routine assessment of liquidated damages. DOM cited the COVID-19 pandemic as its main reason for not retroactively assessing damages for January and February 2020.

Because of COVID-19, NET providers experienced the following challenges when transporting beneficiaries:

- requirements of providers and drivers to conduct a health check and temperature of beneficiaries prior to transport;
- requirements to sanitize vehicles between transport; and,
- requirements of NET provider vehicles to serve as temporary patient waiting rooms, due to the temporary closure of medical provider waiting rooms.

This latter challenge resulted in NET utilizers spending more idle time in NET vehicles. For example, many medical providers prohibited patients from entering their offices or facilities until certain health checks or precautions were taken in an attempt to mitigate the spread of COVID-19. This would often result in NET drivers spending an increased amount of time parked while waiting for the beneficiary to be allowed entry to his or her appointment and reducing the amount of time available to transport other NET utilizers.

DOM Resumed Assessment of Liquidated Damages, January 2021 to May 2022

DOM assessed \$1,027,750 in liquidated damages against MTM between January 2021 and May 2022 for 26,717 instances of noncompliance related to ten performance measures.

DOM assessed a total of \$1,027,750 in liquidated damages between January 2021 and May 2022.¹⁰ The amount assessed was based on MTM's failure to meet ten performance measures for which DOM assessed liquidated damages. Exhibit 6 on page 19 lists the ten performance measures that MTM failed to achieve from January 2021 to May 2022 and the number of instances associated with each.

DOM has not increased the liquidated damage amount DOM is contractually permitted to assess for noncompliance, even though DOM has the latitude to do so. The 2018 NET contract includes a provision in which DOM may increase the amount of liquidated damages for performance measures already specified in the contract. With regard to liquidated damages, Section 2.51.2 of the NET broker contract states:

¹⁰ As of August 11, 2022, DOM had not invoiced MTM for the amount of liquidated damages for April and May 2022 due to ongoing contract negotiations; this amount totals \$71,475.

DOM may assess higher liquidated damages amounts when the Contractor consistently fails to meet specific performance standards and the deficient performance has not been corrected. DOM may, at its sole discretion, assess damages between \$1 and \$5,000 for each failure that occurs or remains uncorrected.

DOM monitors MTM deliverable reports for compliance with performance measures. Section 2.51.2 of the NET broker contract states:

Because performance failures by the Contractor may cause DOM to incur additional administrative costs that are difficult to compute, DOM may assess liquidated damages against the Contractor pursuant to this section, and deduct the amount of the damages from any payments due the Contractor.

This section of the NET broker contract gives DOM the authority to assess liquidated damages for noncompliance with performance standards from any payments due to the NET broker. A complete list of the liquidated damages that may be assessed can be found in Appendix D on page 45.

DOM receives the reports on performance and encounter data on the fifteenth day of the month immediately following the service month. DOM then reviews the reports and notifies MTM of any noncompliance through both email and certified mail. MTM then has 15 calendar days from the date of the notice to dispute DOM's assessment of liquidated damages. DOM withholds any liquidated damage amounts from DOM's monthly payment to MTM. According to DOM, it takes approximately 60 days from the time of receipt of the monthly deliverable reports to notify MTM of noncompliance.

Exhibit 6: Liquidated Damages Assessed by DOM to MTM, by Unmet Performance Measures, from January 2021 through May 2022¹

Performance Measures	Liquidated Damages	Instances
<i>Scheduling and Dispatching Trips:</i> The monthly beneficiary waiting time for pickup (scheduled pickup) from their medically-necessary covered service (e.g., appointment, pharmacy, screening, doctor visit) does not exceed 30 minutes for each NET provider. No more than 5% of these trips shall exceed the 30-minute wait time for pickup per NET provider.	\$347,150	13,886
<i>Vehicles and Driver Noncompliance:</i> The contractor shall immediately remove from service any vehicle or driver found to be out of compliance with the invitation for bids, Title 23 of the <i>Mississippi Administrative Code</i> , or with any state or federal regulations. The contractor must notify DOM within one business day of its intention to remove a vehicle or driver from service.	\$265,000	265
<i>Scheduling and Dispatching Trips:</i> The monthly beneficiary waiting time for pickup at their originating site (e.g., home) does not exceed 15 minutes based on the scheduled time of pickup for each NET provider. No more than 5% of these trips shall exceed the 15-minute wait time for pickup per NET provider.	\$229,150	9,166
<i>Miscellaneous Operational Rules:</i> No more than 2% of the overall scheduled trips shall be late or missed per day, due to the fault of the contractor, NET provider, or driver.	\$96,600	483
<i>Call Center Requirements:</i> The contractor shall maintain a call center within Hinds, Madison, or Rankin County, MS. The call center shall maintain four separate statewide toll-free telephone numbers. The contractor may also route calls placed during hours that the call center is not required by DOM to be open to any call center operated by contractor staff in any location in the USA.	\$39,650	1,586 ²
<i>Scheduling and Dispatching Trips:</i> The monthly beneficiary waiting time for pickup (will-call pickup) from their medically-necessary covered service (e.g., appointment, pharmacy, screening, doctor's visit) does not exceed 60 minutes for each NET provider. No more than 5% of these trips shall exceed the 60-minute wait time for pickup per NET provider.	\$29,600	1,184
<i>Scheduling and Dispatching Trips:</i> The monthly beneficiary waiting time for pickup from their hospital discharge does not exceed one hour after notification of a hospital discharge during regularly scheduled Medicaid provider office hours as defined by DOM.	\$12,800	128
<i>Sufficient Resources:</i> The invitation for bids requires that the average monthly abandonment rate is no more than 4%.	\$3,000	3
<i>Timeliness Requirements:</i> The contractor shall authorize and schedule routine NET services for one hundred percent (100%) of all requests within 10 business days after receipt of a request.	\$2,800	14
<i>Sufficient Resources:</i> The invitation for bids requires that the average monthly speed to answer after the initial automatic voice response is 40 seconds or less.	\$2,000	2
Total	\$1,027,750	26,717

1. Due to the onset of the COVID-19 pandemic, DOM assessed no liquidated damages between March 2020 and December 2020.
2. Noncompliance with this requirement only occurred in December 2021.

SOURCE: PEER analysis of liquidated damages assessment data provided by the Division of Medicaid for the period January 2021 to May 2022.

Limited Effect of Liquidated Damages

DOM is not permitted to assess liquidated damages for any area not specifically identified in the contract. For example, DOM explained the current NET contract does not include a performance metric for liquidated damages for “trips not performed.” Trips not performed include trips that MTM did not assign or schedule because no providers were available to perform the trip.

The effectiveness of liquidated damages assessed against MTM may be minimized, in part because MTM may pass on costs to NET providers. Prior to COVID-19, MTM passed on the applicable costs for liquidated damages to NET providers. MTM reported it had paused this practice nationwide through June 30, 2022, but was considering resuming it. DOM does not require MTM to report the amount in liquidated damages MTM passed on to NET providers.

Additionally, MTM has the ability to earn back the loss of revenue from assessed liquidated damages. While DOM deducts the amount assessed for liquidated damages from MTM’s upcoming monthly reimbursement (or the second subsequent month should MTM appeal the assessment) for instances of noncompliance in service provisions (i.e., utilization), this amount does not lower or factor into the total cost cap of the contract. Due to the high number of NET non-utilizers and the monthly non-utilizer rate paid to MTM, MTM will still reach the cost cap established by DOM in the NET contract, effectively nullifying the effect of assessed liquidated damages.

On-site Field Audits

Given DOM provides the list of Medicaid eligible beneficiaries to MTM, and MTM is paid \$21 per non-utilizer (\$25 prior to January 1, 2021), the financial risks associated with the NET contract have lessened as more of the costs have been borne by non-utilizers due to the increased Medicaid enrollment due to the Families First Coronavirus Response Act (FFCRA). Therefore, DOM staff are responsible for ensuring the accuracy of the eligible NET non-utilizer data it provides to MTM monthly.

Through February 2022, costs for non-utilizers alone would comprise \$120,430,866 toward the \$125,025,081.92 cost cap in place through September 30, 2022.

With regard to audits of the NET broker, DOM’s *NET Invitation for Bids #20180511*, Section 2.40 states:

DOM shall conduct scheduled quarterly on-site field audits and reviews. DOM shall conduct random onsite reviews of the Contractor’s operations and NET Provider field audits to monitor Contractor performance.

PEER’s 2020 review of the NET program recommended establishing formal standard operating procedures and an audit checklist to conduct on-site field audits. DOM has not addressed this recommendation as current staffing levels limit DOM’s ability to perform on-site field audits. DOM noted it plans to revisit this recommendation if and when staff levels increase.

DOM has limited its use of on-site field audits due to internal verification of the non-utilizer data and current staffing level for audit functions.

DOM reported it currently assigns 1.33 PINs, including one full-time person and one part-time program manager responsible for NET as well as Durable Medical Equipment and physician

testing services at Medicaid. DOM reported its Internal Audit department currently has two full-time-equivalent positions with a budget of \$57,300, not including personal services. DOM currently budgets zero internal audit hours for NET in the current audit schedule, with the hours allocated set annually based on a risk analysis.

What efforts do DOM and MTM use to obtain stakeholder feedback?

DOM requires MTM to formally track and respond to beneficiary and NET provider complaints, as well as conduct a monthly beneficiary satisfaction survey. However, DOM does not formally obtain feedback from NET providers and non-utilizers.

Formal Complaint Process

NET beneficiaries and NET providers may contact the MTM customer service center to formally file a NET-related complaint. MTM customer service representatives log the complaints into a complaint log. MTM then must address each complaint. MTM has a separate complaint resolution protocol for:

- Medicaid beneficiaries' individual complaints against NET providers or MTM; and,
- NET providers' complaints against a beneficiary or MTM.

NET beneficiaries and NET providers may also contact DOM NET staff. These complaints are then forwarded to MTM to resolve.

Additionally, any Medicaid beneficiary may contact DOM's Beneficiary Relations Division. DOM's Beneficiary Relations Division's customer service center handles calls related to Medicaid programs, covered services, Medicaid eligibility, application processing, how to find a Medicaid-enrolled provider, and service limits from beneficiaries, elected officials, and the general public.

Limited Effect of Liquidated Damages

With regard to the beneficiary and Medicaid provider complaint resolution process of the NET broker, DOM's *NET Invitation for Bids #20180511*, Section 2.37 states:

The Contractor shall establish and maintain a protocol for reviewing and handling complaints made by a beneficiary, beneficiary representative or Medicaid provider. The Contractor shall publish the protocol in writing and electronically on their public website. The Contractor shall attempt to resolve the complaint in accordance with the Beneficiary and Medicaid Provider Complaint and Grievance Resolution Protocol. The Contractor shall work with all parties, and DOM, as necessary, to resolve the complaint.

NET beneficiaries and their support system (family, friends, medical providers) phoned in to MTM 2,721 complaints regarding NET providers or MTM between January 2, 2020, and June 30, 2022. Exhibit 7 on page 22

NET beneficiaries and their support system (family, friends, medical providers) phoned in to MTM 2,721 complaints regarding NET providers or MTM between January 2, 2020, and June 30, 2022.

provides a case example of a beneficiary complaint filed with MTM, and how it was resolved.

If a beneficiary files a complaint against a NET provider, MTM must notify the NET provider, who then has an opportunity to dispute the complaint. To do so, the NET provider must show evidence (video, camera footage, signed trip logs, GPS data) necessary to refute the complaint. There is no timeframe specified for this period. Regardless, the NET broker must provide the complainant with an update of its review of the complaint within 10 business days. All complaints must be deemed substantiated or unsubstantiated within 20 calendar days.

A beneficiary may also appeal MTM's decision. The beneficiary shall be allowed 20 calendar days to request a review of the decision by the NET broker. Failure to request a review within 20 calendar days shall be a waiver of the beneficiary, beneficiary representative, or Medicaid Provider's right to request a review. Of the 2,721 complaints, 23 progressed through the appeals process to DOM. Of these 23 appeals, DOM denied (upheld) 17 appeals, approved (overturned) 5 appeals, and partially approved 1 appeal.

Exhibit 7: Case Example of a Beneficiary Complaint

An example of MTM's resolution to a beneficiary's complaint is as follows:

1. Beneficiary filed a complaint stating *the MTM representative assigned a bus for their trip when it should have been a cab, resulting in the beneficiary missing their appointment.*
2. MTM reviewed the complaint pertaining to *trip accuracy* filed by the NET beneficiary.
3. MTM investigated the complaint.
4. MTM determined the complaint to be unsubstantiated based on health plan protocol, which requires MTM to schedule every trip with the most appropriate transportation provider. The complaint log does not specify how MTM reached this conclusion. However, upon PEER follow-up, MTM reviewed the complaint and resolution and found that at the time of request, there was no Level of Need¹¹ on file with the beneficiary.
5. MTM notified the beneficiary of the results of the investigation and actions taken.

SOURCE: MTM complaint log.

¹¹ Level of Need is a process and document required to assess the most appropriate mode of transport for a beneficiary. This process is instigated when a beneficiary requests transport at a level higher than default mode of transport (typically public transit or ambulatory).

Low Response to Beneficiary Satisfaction Surveys

DOM reported the response rates for the mailed beneficiary satisfaction surveys were 16% in CY 2020, 11% in CY 2021, and 9% in CY 2022 (to date). DOM reported MTM conducted:

- an average of 749 surveys per month in CY 2020;
- an average of 793 surveys per month in CY 2021; and,
- an average of 1,064 surveys per month in CY 2022 (through May).

DOM conducted the beneficiary satisfaction survey via telephone under the 2013 NET contract. Utilizing January 2019 reporting—the last month MTM conducted the survey via telephone—as a comparison, the response rate was 51.1%.

PEER's 2020 review of the NET program recommended that DOM should analyze options to increase the response rate of the monthly beneficiary satisfaction survey in order to determine whether MTM and DOM receive sufficient feedback to assess participants' satisfaction with the NET program.

DOM NET staff reported they were advised by DOM procurement staff that they could not revert to the former process during the term covered in the current contract unless amended. This is because the 2018 NET contract specifies MTM is to conduct the surveys via mail.

Lack of Formal Feedback from Non-utilizers and NET Providers

Neither DOM nor MTM currently seeks formal feedback from non-utilizers, despite NET's low utilization rate (less than 10%). This might include determining the extent to which non-utilizers:

- are aware of NET services;
- are reasonably healthy and therefore go to the doctor once a year or less;
- opt not to use NET because they believe service is not timely; or,
- prefer to utilize other methods of traveling to their medical appointments.

DOM also does not formally track the non-utilizers who are eligible for Medicaid fee-for-service NET as qualifying Medicaid beneficiaries, but who do not qualify to utilize the NET service because they have some other means of transit. DOM staff noted this data may be fluid, because beneficiaries may become temporarily eligible if there was a change in circumstance (e.g., instances where a beneficiary's vehicle does not work).

A Medicaid beneficiary must qualify to receive all state plan services and must demonstrate that he or she has no other means of transportation to a covered medical service rendered by a Medicaid provider to be eligible for the NET program. "No other means of transportation to access medical assistance" could include no valid driver's license; no available, working vehicle in the household; inability to travel or wait for services alone; or, a physical, cognitive, mental, or developmental limitation.

This would aid in determining why more than 90% of those eligible for NET services do not utilize NET services.

DOM's current NET contract also does not require MTM to obtain formal feedback from providers on its system operations. Areas in which feedback might be obtained include NET provider pay rates/increases; NET broker performance; issues related to beneficiaries; and, implementation challenges pertaining to MTM's new reservation/dispatch system.

What data does DOM collect to determine how much it costs to provide NET services to utilizers?

DOM does not track how much it costs to provide NET services. This is in part because the method in which DOM pays MTM differs from the way in which providers are paid. DOM has opted not to get involved in relations between the NET broker and NET providers. DOM has not sought to request the amount MTM pays each provider, or review the rate agreements MTM establishes with each of its respective contracts between NET providers.

Under the current NET utilization-based payment methodology, DOM must pay MTM monthly for each eligible NET beneficiary, based on the costliest type of NET service each NET beneficiary utilized that month regardless of how many times services were utilized. DOM also pays MTM a non-utilizer rate each month for each NET beneficiary that did not utilize NET services during that month.

This methodology differs from how MTM pays NET providers for transporting NET beneficiaries. In interviews with PEER, providers and MTM reported providers are paid on a per-trip basis. MTM negotiates these rates with providers, with rates generally increasing based on distance traveled and type of beneficiary transported (i.e., providers generally are paid more for advanced trips than ambulatory trips). For example, providers reported being paid \$10 to \$12 for trips up to 5 miles and \$12 to \$15 for trips up to 10 miles.

DOM has not sought to request the amount MTM pays each provider, or review the rate agreements MTM establishes with each of its respective contracts between NET providers. DOM reported generally not being involved in relations between MTM and NET providers unless it impacts the provision of services to Medicaid beneficiaries or a complaint is filed. (See the discussion of issues related to MTM's implementation of its scheduling and dispatching system on page 37).

According to DOM, MTM has begun offering to pay providers a fuel surcharge. In an interview, MTM stated the fuel surcharge—which MTM implemented nationally—is meant to assist providers with fuel costs, but may not necessarily offset increased provider costs related to higher fuel prices.

PEER inquired with providers as to how they are paid, the rates at which they are paid, the last time they received a rate increase, and the extent to which rates have kept up with costs. Providers PEER interviewed reported rates paid have not kept up with cost increases for fuel, insurance, and labor (i.e., drivers). Providers reported having received either no rate increase or a 50-cent per trip rate increase.

Factors Impacting Medicaid Fee-for-service NET Costs since 2013

This chapter sought to answer the following questions:

- What impact did changes in the environment have on NET costs?
- What impact has the utilization-based payment methodology had on NET costs?
- What other factors have contributed to the decline in Medicaid NET costs since 2014?

What impact did changes in the environment have on NET costs?

Several environmental factors have impacted NET costs including the federal government's response to COVID-19, Medicaid outsourcing NET for managed care beneficiaries to the three MCOs, and the introduction and growth of telehealth services. Combined, these have contributed to a decrease in NET utilizers and an increase in NET non-utilizers.

Eligible NET Beneficiaries Increased due to COVID-19

PEER found the number of eligible NET beneficiaries per month increased from 124,040 in July 2020 to 308,557 in May 2022. While DOM data for non-utilizers was only available through February 2022, NET non-utilizers increased from approximately 120,000 in July 2020 to approximately 270,000 in February 2022.

The increase in eligible NET beneficiaries and non-utilizers was due to the impact of COVID-19 and new requirements implemented in 2020 under FFCRA.

This was primarily due to unforeseen economic changes resulting from the COVID-19 pandemic (i.e., job losses), and the requirements under FFCRA that followed. This corresponds with the increase in Medicaid enrollment, which increased every month from April 2020 through June 2022 according to data DOM submits monthly to the Legislative Budget Office.

FFCRA mandates DOM retain Medicaid beneficiaries until the end of the public health emergency. FFCRA "requires that individuals enrolled for benefits at the date of enactment shall be treated as eligible for benefits through the end of the emergency period."¹² On July 18, 2022, the U.S. Department of Health and Human Services issued a Federal Public Health Emergency Update that extended the COVID-19 related public health emergency through October 13, 2022. According to DOM, the U.S. Department of Health and Human Services has generally extended the COVID-19 related public health emergency in 90-day increments. There has been no advisory as to when

¹² As a condition of receiving the enhanced Federal Medical Assistance Percentage for Medicaid (FMAP) allowed in FFCRA, DOM is excluded from any change to eligibility standards, methodologies or procedures from those in effect on January 1, 2020. The enhanced FMAP was put in effect from January 1, 2020, through the end of the quarter when the public health emergency ends.

the U.S. Department of Health and Human Services may let the COVID-19 related public health emergency expire.

DOM Transferred Responsibilities for MSCAN Beneficiaries and Long-term Care Residents to Other Providers

In May 2015, DOM outsourced NET services to MCOs for MSCAN beneficiaries. As part of the 2018 NET contract, DOM removed nursing home residents, directing homes to provide services to their residents.

The NET-eligible population under the 2018 NET contract differs from the prior 2013 NET contract. After the Legislature passed H.B. 1275, 2014 Session, to expand the MSCAN program, DOM amended the contract with MTM in May 2015 to reduce the total not-to-exceed cost for NET services from \$117,230,259 to \$109,272,480.00. According to the contract

amendment, DOM and MTM amended the initial 2013 flat fee contract to reduce the cost cap, and thus the cost per month, due to the transition of an estimated 330,000 Medicaid beneficiaries from Medicaid fee-for-service to MSCAN. This reduced NET costs by approximately \$8 million from July 1, 2014, to June 30, 2017.

Additionally, DOM excluded NET transportation for beneficiaries residing in all long-term care facilities from the 2018 NET contract and transferred such responsibility to long-term care providers. Beneficiaries residing in nursing facilities, psychiatric residential treatment facilities, and intermediate care facilities for individuals with intellectual disabilities are not the responsibility of the NET broker.

Telehealth Services Expanded in Response to COVID-19

In response to COVID-19, DOM extended its coverage of enhanced telehealth services, originally effective March 20, 2020, through the end of the public health emergency. Medicaid beneficiaries can receive telehealth services in their homes without assistance present, if they have a cell phone, computer, or other video-enabled device they can use to communicate with a provider. While it does affect the number of NET utilizers, DOM does not measure its direct impact on the NET contract.

In response to COVID-19, DOM extended its coverage of enhanced telehealth services through the end of the public health emergency.

States have the flexibility to determine whether or not to cover telemedicine; what types of telemedicine to cover; where in the state it can be covered; how it is provided and covered; what types of telemedicine providers may be reimbursed, as long as providers are "recognized" and qualified according to Medicaid regulations; and how much to reimburse for telemedicine services.

Decline in NET Utilization

Although a Medicaid beneficiary may be eligible to participate in the NET program, he or she may choose whether or not to utilize services. DOM tracks NET usage through two primary metrics:

- the number of trips, by mode of transportation; and,
- the number of utilizers versus non-utilizers, by mode of transportation.

NET utilization has declined over the course of the 2018 NET contract with MTM.

As shown in Exhibit 8 on page 27, the number of NET utilizers has declined over the term of the contract, both in terms of number of utilizers per month and as a percentage of eligible NET beneficiaries.

From February 2019 through June 2020, the Mississippi NET program averaged 5,925 (5.2%) utilizers, compared to an average of 113,177 total NET-eligible beneficiaries. However, over the next 19 months, average monthly utilizers declined while NET-eligible beneficiaries increased. From July 2020 through February 2022, the Mississippi NET program averaged 4,583 (2.6%) monthly utilizers, compared to an average of 171,007 total NET-eligible beneficiaries. Nationally, the 2020 MACPAC report found less than 5% of Medicaid beneficiaries used NET in FY 2018.¹³

Exhibit 8: Decline in Utilization as NET-eligible Beneficiaries Increased, February 2019 to February 2022

Period	Average Utilizers per month	Percent of Utilizers per month	Average Non-Utilizers per month	Percent of Non-Utilizers per month	Average NET Eligible Beneficiaries per month
February 2019 - June 2020	5,925	5.2%	107,251	94.8%	113,177
July 2020 - February 2022	4,583	2.6%	171,007	97.4%	175,590
DOM 2018 Forecast¹	10,035	9.5%	95,738	90.5%	105,773

1. As part of the 2018 invitation for bids process, DOM estimated the number of utilizers, by type, and number of non-utilizers. These estimates were utilized in determining costs, based on the amount each vendor bid per type of utilizer and per non-utilizer.

SOURCE: PEER analysis of NET utilization data provided by Division of Medicaid for February 2019 to February 2022.

Exhibit 9 on page 28 depicts the decline in number of NET trips per month from FY 2019 to FY 2022.

¹³ MACPAC analysis of Transformed Medicaid Statistical Information System (T-MSIS) Data, the national Medicaid and Medicare database.

Exhibit 9: Decline in Number of NET Trips per Month, FY 2019 to FY 2022

Period	Total NET Trips	Number of NET Trips per month
FY 2019	910,341	75,862
FY 2020 ¹	699,813	58,318
FY 2021	590,255	49,188
FY 2022	583,892	48,658

1. The number of NET trips had begun to decline prior to COVID due to changes in the NET contract (no longer included nursing home transport) and the introduction of telehealth.

SOURCE: PEER analysis of Division of Medicaid NET trip data provided for FY 2019 to FY 2022.

PEER found NET trips declined from 75,862 in FY 2019 to 48,658 per month in FY 2022. The number of NET trips had begun to decline prior to COVID due to changes in the NET contract (e.g., it no longer included nursing home transport) and the introduction of telehealth. The average number of trips from July 2019 to February 2020 declined to 63,066, a decline of approximately 12,800 trips per month. Trips continued to decline into FY 2021 and FY 2022 and have stabilized around 49,000 trips per month, a decline of approximately 27,204 trips per month (36%) from FY 2019 levels.

What impact has the utilization-based payment methodology had on NET costs?

PEER determined there were no direct cost savings attributed to DOM's use of a utilization-based payment methodology as part of the 2018 NET contract. This is largely due to DOM's cost scoring, which over-projected the estimated number of utilizers and under-projected the estimated number of non-utilizers in comparison to actual utilization, and DOM's lack of a cost cap for the non-utilizer rate. In addition, there was an increase in non-utilizers under the FFCRA as a result of COVID-19. These factors resulted in non-utilizers comprising 91.5% of NET costs compared to utilizers comprising 8.5% of NET costs over the period from February 2019 to February 2022.

Under the current NET utilization-based payment methodology, DOM must pay MTM monthly for each eligible NET beneficiary, based on the costliest type of NET service each NET beneficiary utilized that month regardless of how many times services were utilized. According to the 2018 NET contractual agreement, DOM pays MTM the following amounts:

- air flight utilizer¹⁴ – \$39,373.89 per month;
- advanced utilizer – \$115.69 per month;
- ambulatory utilizer – \$45.28 per month; and,
- non-utilizers – \$25 per month for each NET beneficiary that did not utilize any NET services during that month. This amount was reduced to \$21 per month per non-utilizer effective January 1, 2021.

The cost to DOM for a beneficiary only changes based on the type of service utilized, or if that beneficiary did not utilize any NET services for that month.

DOM selected the NET broker using a payment methodology that assumed an average number of utilizers and non-utilizers. There was no way DOM could have projected the increased overall NET population due to economic factors caused by COVID-19 (i.e., job losses). In addition, the payment methodology for the 2018 NET contract placed a greater weight in scoring the contract award on non-utilizers than on utilizers, which would theoretically result in lower costs based on increased utilization or a higher number of NET utilizers. COVID-19 has also impacted the overall cost of the NET program by increasing the total number of eligible NET beneficiaries. The following sections briefly discuss these issues with DOM's payment methodology.

Disparities in DOM's NET Population Projections for the 2018 NET Contract in Comparison to Actual Utilization

In assessing each vendor's bid in procuring the 2018 NET contract, DOM included as part of its cost scoring criteria a projection of the number of utilizers, by type of utilizer, and the number of non-utilizers. These projections served as cost multipliers when vendors submitted their respective total bids to provide NET brokerage services based on a utilization or non-utilization cost per member per month.

In procuring a vendor for the 2018 NET contract, DOM's cost scoring criteria over-projected the estimated number of utilizers and under-projected the estimated number of non-utilizers.

In comparison to actual utilization, DOM's initial projections over-projected utilizers and under-projected non-utilizers. DOM estimated the following for the 2018 invitation for bids:

- the percentage of NET utilizers to be approximately 10.5%. Nationally, the 2020 MACPAC report found less than 5% of Medicaid beneficiaries used NET in FY 2018;¹⁵
- 10,035 utilizers per month. From February 2019 to February 2022, NET averaged 5,199 utilizers per month; and,
- 95,738 non-utilizers per month. From February 2019 to February 2022, NET averaged 141,714 non-utilizers.

DOM's Lack of a Cost Cap for the Non-Utilizer Rate

DOM awarded MTM the 2018 NET contract because it submitted the lowest-cost bid based on DOM's projected utilization by beneficiaries. Despite moving towards a utilization-based

¹⁴ DOM reported zero instances of transporting a Medicaid beneficiary by means of a fixed-wing aircraft used for transport between February 2019 and February 2022.

¹⁵ MACPAC analysis of Transformed Medicaid Statistical Information System (T-MSIS) Data, the national Medicaid and Medicare database.

methodology, DOM ultimately weighted projected costs for non-utilizers at a rate of more than nine times (9.54) more than utilizers based on its projections for the 2018 invitation for bids. (As noted in the previous section, DOM estimated 95,738 non-utilizers per month and 10,035 utilizers per month.)

In establishing scoring criteria for the 2018 invitation for bids, DOM did not cap the amount of costs vendors could allocate to non-utilizers or for overall administration of the NET contract.

While one would expect a utilization-based methodology to exhibit lower overall NET expenditures as service provision declines, this has not been the actual trend in NET expenditures. This is because of both the higher weight in the scoring of non-utilizers based on DOM estimations and the higher rate of costs for

non-utilizers submitted by MTM.

Utilizing the projected volume DOM provided, MTM's bid weighted 79% of costs toward non-utilizers and 21% of costs toward utilizers. In comparison, utilizing actual data through February 2022, non-utilizers accounted for 91.5% of total NET costs (\$120,430,866 of \$131,615,079) while NET utilizers accounted for 8.5% of total NET costs (\$11,184,213 of \$131,615,079).

While MTM did submit the lowest overall bid to provide NET brokerage services, MTM weighted 79% of its total bid amount (i.e., costs) toward non-utilizers. While MTM bid the lowest costs for utilizers, it bid more per non-utilizer when compared to its competitors.¹⁶ Placing a greater cost weight on non-utilizers reduces the cost efficiency of a utilization-based payment methodology. Because non-utilizers do not receive any NET services during the month, DOM is essentially paying MTM administration costs for this population.

In addition, DOM did not cap overall administrative costs for the NET broker. While DOM could not have predicted the changes that occurred to actual utilization and non-utilization of NET services because of COVID-19 and other factors, overall NET costs have increased due to the high-cost weight of non-utilizers. This effectively results in increased costs paid for administration of the NET broker contract instead of for actual service provision.

Billable Costs Have Risen Under the Utilization-Based Payment Methodology, Necessitating DOM to Suspend Payment

The change from a flat-fee payment methodology in 2013 to a utilization-based payment methodology in 2018 (with a cost cap) based on number of utilizers and non-utilizers per month appears to have had limited to no impact on reducing costs. PEER analyzed the current expenditures of the 2018 contract, which was amended to have a total not-to-exceed cost of \$125,025,072.16 through the contract term. PEER compared the actual NET costs incurred under the 2018 contract to the cost cap for the period from February 2019 through December 2021. (See Appendix E on page 47.)

As of June 30, 2022, DOM has paid \$119,909,094.22 toward the \$125,025,072.16 cost cap, leaving a difference of \$5,115,987.70 in potential future payments toward the cost cap. DOM

¹⁶ MTM bid \$25 per non-utilizer. In comparison, Competitor A bid \$12.78 per non-utilizer. Competitor B bid \$0.04 per non-utilizer.

suspended payments to MTM nine months prior to the contract end date¹⁷ to keep from reaching the cost cap.¹⁸

When PEER last conducted the biennial review of NET in 2020, PEER determined DOM costs for Medicaid NET services were \$12,087.66 below the 2018 contract cost cap through the first 17 months of the 32-month operational phase of the 2018 contract.¹⁹ At the time, PEER reported that DOM could potentially reach the not-to-exceed cost threshold prior to the contract expiring due to the impact of COVID-19 on overall NET-eligible beneficiaries and expenditures. PEER attributed this to May and June 2020 data, where the cost for May 2020 and June 2020 exceeded the average monthly expenditures by a total of \$351,632.35.

PEER found billable NET costs incurred under the 2018 NET contract have increased from \$2.9 million per month to \$5.4 million per month, as the number of eligible NET beneficiaries increased from 124,040 in July 2020 to 308,557 in May 2022. This increased number of eligible NET beneficiaries is primarily due to economic changes from the COVID-19 pandemic (i.e., job losses), and the requirements under FFCRA (i.e., Medicaid beneficiaries cannot be removed from Medicaid rolls until the end of the public health emergency even if the beneficiary would not still be eligible for Medicaid). This is in spite of the average number of utilizers decreasing from 5,925 per month over the period February 2019 to June 2020 to 4,583 per month over the period from July 2021 to February 2022.

Impact of Reaching the Contract Cost Cap

As of June 30, 2022, DOM has paid \$119,909,094.22 toward the \$125,025,072.16 cost cap, leaving a difference of \$5,115,987.70 in potential future payments toward the cost cap. DOM suspended payments to MTM nine months prior to the contract end date²⁰ to keep from reaching the cost cap.²¹ If DOM reaches the cost cap, MTM must contractually continue to provide NET services.

If DOM reaches the cost cap, MTM contractually must continue to provide NET services.

MTM currently has the following incentives to continue to provide services under the NET contract:

- payment of the \$5,115,987.70 toward the current \$125,025,072.16 cost cap in place through September 30, 2022;
- potential revenue resulting from renewal of the 2018 NET contract for the final year, which if renewed under the existing contract terms for the final year through September 30, 2023, the cost cap will increase from \$125,025,072.16 to \$156,720,678.08; and,

¹⁷ After its December 2021 payment and quarterly reconciliation payment.

¹⁸ If the contract is renewed under the existing contract terms for the final year through September 30, 2023, the cost cap will increase from \$125,025,072.16 to \$156,720,678.08.

¹⁹ DOM only pays MTM for costs related to the 32-month operational phase of the 2018 contract. During the procurement process, MTM submitted to DOM that MTM needed \$0 to meet the requirements of the initial four-month implementation phase of the 2018 contract. This was in part because MTM was the current provider under the 2013 contract.

²⁰ After its December 2021 payment and quarterly reconciliation payment.

²¹ If the contract is renewed under the existing contract terms for the final year through September 30, 2023, the cost cap will increase from \$125,025,072.16 to \$156,720,678.08.

- maintaining eligibility status to compete for the next NET contract.

If MTM were to default on the contract (i.e., refuse or fail to perform any services prior to the end of the contract) upon receiving payment at or near the cost cap, DOM may pursue legal action against MTM pursuant to the clauses of the contract. Under the section labeled “termination for default by the contract,” the contract states the “contractor shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred [by DOM] in procuring similar goods or services.”

What other factors have impacted Medicaid NET costs since 2014?

Other factors that have impacted Medicaid NET costs since 2014 include the change in how NET services were procured, DOM’s renegotiation of a lower cost during contract renewal periods, and a decline in the number of NET utilizers.

In reviewing Medicaid NET services, PEER identified several factors that likely have contributed to the decline in Medicaid NET costs since 2014.

The necessity to re-procure the NET contract in 2018 after the winning bidder in 2017 had to withdraw due to financial difficulties does appear to have resulted in higher NET costs, temporarily. Comparatively, DOM paid MTM approximately \$260,000 more per month for the 11 months in which DOM was having to procure and install a new vendor (which happened to be MTM), than the eight months prior under DOM’s initial contract extension agreement with MTM.

Another factor that impacted NET costs was the inclusion of options in both the 2013 and 2018 NET contracts for DOM to renew the agreement after three years for two one-year extension periods. DOM utilized these renewal periods in 2017 and 2021 to negotiate a lower monthly fee (2017) or lower monthly cap rate (2021) with MTM in exchange for extending the contract. DOM reduced NET costs per month from:

- \$3,035,346.67 to \$2,931,229.75 as part of the 2013 NET contract’s first renewal period; and,
- \$3,024,251.68 to \$2,641,299.68 as part of the 2018 NET contract’s first renewal period.

DOM cited the decline in number of NET utilizers, and thus the high non-utilizer rate as part of its reasoning to negotiate a lower cost with MTM upon renewing the contract for 1 year.

The cost cap used in the 2018 NET contract has limited NET costs. DOM negotiated a lower cost cap as part of the 2018 contract’s first renewal period, reducing the cost cap:

- \$8,041,992 through September 30, 2022, from \$133,067,074 to \$125,025,082; and,
- \$12,637,466 through September 30, 2023, from \$169,358,094 to \$156,720,628.

The cost cap enabled DOM to suspend payments in January 2021, after NET costs reached within \$5 million of the cost cap in place through September 30, 2022.

Changes since 2020

This chapter sought to answer the following questions:

- What state and federal law changes have occurred since 2020 that impact driver and vehicle eligibility for the NET program?
- To what extent have NET drivers and NET vehicles been removed from service for not meeting requirements or violating provisions for removal?
- What are the issues related to MTM's migration to Reveal?

What state and federal law changes have occurred since 2020 that impact driver and vehicle eligibility for the NET program?

The Consolidated Appropriations Act of 2021 requires states to assure necessary transportation for Medicaid beneficiaries to and from covered services. This includes new requirements for state Medicaid transportation programs (e.g., new NET provider and driver requirements). In 2022, Mississippi Senate Bill 2739 established a permitting process for NET providers and assigned MSDH the authority to establish standards for and issue these permits.

New Federal NET Requirements

As part of the Consolidated Appropriations Act of 2021, Congress codified in statute the CMS long-standing regulatory interpretation of Section 1902 (a) (4) of the Social Security Act, which generally requires states to assure necessary transportation

DOM already has existing measures that meet the new federal NET requirements.

for Medicaid beneficiaries to and from covered services. Congress also enacted new requirements for state Medicaid transportation programs (e.g., new NET provider and driver requirements).

Section 209 added a new provision specifying NET provider and driver requirements, including:

- each provider and individual driver is eligible to participate in any federal health care program (as defined in section 1128 B (f) of the Act) if it is not listed on the ineligible list of the Inspector General of the Department of Health and Human Services;
- each driver has a valid driver's license;
- each provider has in place a process to address any violation of state drug law; and,
- each provider has in place a process to disclose to the state Medicaid program the driving history, including any traffic violations, of each employed driver.

DOM already had in place measures that would meet most of the requirements of these new federal NET requirements. However, neither the *Mississippi Administrative Code* nor MTM specifically addresses excluding providers or drivers who are not eligible to participate in any

federal health care program or are on the ineligible list of the Inspector General of the Department of Health and Human Services.

Congress did specify these NET provider and driver requirements apply to individual drivers as well as transportation network companies (e.g., Uber, Lyft). However, this provision excludes those providers that are public transit authorities.

Mississippi S.B. 2739 Requires All NET Providers to Obtain a Permit Through MSDH

S.B. 2739 established a permitting process for NET providers. MSDH is the authority that issues these permits.

During the 2022 Regular Session, the Legislature passed Senate Bill 2739, which requires NET providers to have a permit and authorizes MSDH to set certain standards and issue these permits. Senate Bill 2739 went into effect on July 1, 2022.

Senate Bill 2739 also provides that any public entity or private entity in the business of providing NET services may continue to provide such services without first receiving a permit until July 1, 2023, provided that it complies with the other provisions of this act and the rules set by MSDH.

Drivers and attendants must meet certain qualifications, including driver training requirements, before a driver provides special transportation, including, but not limited to:

- fingerprint background checks;
- annual criminal background checks, including sex offender registry;
- annual motor vehicle records checks from the Department of Public Safety;
- drug screens;
- regular confirmation that the driver does not appear on the Office of Inspector General's list of ineligible drivers or providers; and,
- appropriate training for drivers for the mode of transportation being provided.

MSDH published these regulations on June 24, 2022, and they took effect on July 1, 2022. Additional areas in which MSDH must adopt standards include the safety of vehicles and necessary safety equipment, minimum insurance requirements, general requirements concerning inspection and maintenance of vehicles, replacement vehicles, standard vehicle equipment, and specialized equipment necessary to ensure vehicle usability and safety for disabled persons.

Reasoning behind the New Law

According to MSDH, the law was enacted to establish requirements for NET providers outside of Medicaid (e.g., nursing home, assisted living, worker's compensation) and to establish a state definition for NET providers and services.

In the latter instance, MSDH stated the lack of a state definition defining who was a NET provider impeded NET providers' eligibility to obtain COVID-19 funding as a group. Senate Bill 2739 defines "NET provider" to mean:

... any company in the business of providing non-emergency medical transportation services for compensation and any person, group of persons or entity that provides non-emergency medical services for compensation. Any company with a current accreditation from the

Nonemergency Medical Transportation Accreditation Commission is deemed to be a non-emergency medical transportation provider.

Further, Senate Bill 2739 defines "NET provider service" to mean:

... motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed exclusively or primarily to serve individuals who are elderly or disabled and who are unable to use regular means of transportation but do not require ambulance service. This term also means those non-emergency medical transportation services that are provided under the Medicaid nonemergency transportation program or by managed care providers that have contracted with the Division of Medicaid.

Impact—Establishment of a New Permitting Process for NET Providers through MSDH

Initially, the main impact of Senate Bill 2739 is that it requires all NET providers, including Medicaid NET providers, to obtain a permit from MSDH, and gives MSDH the authority to revoke a permit.

The law requires all providers to obtain a permit from MSDH and gives MSDH the authority to revoke that permit.

Medicaid NET providers would still have to be credentialed by DOM and MTM.

Specifically, S.B. 2739:

- requires NET providers to have a permit from MSDH before they may provide NET services in Mississippi;
- requires MSDH to adopt rules providing for applications for permits, issuance of permits, renewal of permits, and revocation of permits;
- authorizes MSDH to provide for the payment of fees for the issuance and renewal of permits;
- requires MSDH to adopt standards for the operation of vehicles used to provide NET services, and specify the minimum standards that must be adopted;
- provides that NET providers must meet all the requirements and standards set by MSDH for providing NET services;
- authorizes MSDH to revoke the permit of, or impose fines on, any NET provider that is found to be in noncompliance with MSDH requirements and standards; and,
- authorizes MSDH to bring actions for injunctions to enjoin and prohibit any person or entity from providing NET services in the state without having a current, valid permit from MSDH.

NET providers are not required to obtain a permit from MSDH until July 1, 2023. Providers not obtaining a permit by July 1, 2023, will be required to cease service, at least until a permit is attained.

To what extent have NET drivers and vehicles been removed from service for not meeting requirements or violating provisions for removal?

DOM reported MTM has removed 156 drivers and 277 vehicles from the NET program since January 2020. Two drivers were suspended, one driver was rejected, and 36 vehicles were rejected during the initial credentialing or renewal process.

DOM reported MTM has removed 156 drivers from the NET program since January 2020. Two were suspended and one was rejected in the initial credentialing or renewal process. This may be for a number of reasons (e.g., a felony is found on their background check or they fail to pass a drug test). If a driver is marked as suspended, the driver was suspended by MTM pending review (e.g., involved in an accident while transporting a beneficiary, beneficiary complaint).

NET providers did not submit necessary paperwork for the remaining 153 drivers to remain in the NET program. This could be because the NET driver was no longer employed by the NET provider, changed to a non-driver position, or no longer qualified.

DOM reported MTM has removed 277 vehicles from the NET program since January 2020. MTM rejected 36 of the vehicles during the initial approval process or during the biannual vehicle inspection process. For example, the vehicle may have been damaged or not had proper safety restraints or required signage.

NET providers did not submit necessary paperwork for the remaining 241 vehicles to remain in the NET program. This could be because the NET provider rotated the NET vehicle out-of-service, or because the NET provider voluntarily removed the vehicle because it would not have passed inspection (e.g., vehicle was in an accident and necessary repairs had not been made).

What are the issues related to MTM's migration to Reveal?

Reveal is the new scheduling, routing, and dispatching system that replaced MTM's legacy IT system nationwide. On September 25, 2021, MTM went live with Reveal in Mississippi. Once approved and implemented, NET providers began reporting issues impacting scheduling and provision of NET services, which still persist. MTM and DOM have established a weekly provider meeting with four NET providers to weekly address operational issues related to Reveal.

MTM's Migration to Reveal

MTM made a decision to replace its legacy scheduling, routing, and dispatching system the AS/400 with its newly acquired Reveal system. According to MTM, the migration date for such change in Mississippi was September 25, 2021.

Among other functions, Reveal is utilized to intake NET beneficiary trip requests and process transportation requests. MTM assigns approximately 1.2 million total NET trips per year in Mississippi, when including its three separate contracts with the three MCOs.

According to MTM, Reveal utilizes a routing and batching methodology to intake multiple requests and send batches of trips to a NET provider. MTM's prior system disseminated trips to NET providers one at a time.

Generally, MTM intakes new NET reservation requests through the MTM customer service center up to 30 days prior to a beneficiary's scheduled appointment. Reservation requests may be made no more than 30 days in advance of an appointment, but must typically be made at least two days in advance of appointment. The exception is for beneficiaries who must utilize NET to access medical care on a routine basis, such as in the case of scheduled weekly dialysis treatment.

MTM sends a batch of trips to each NET provider four days prior to the appointment date; MTM must provide NET providers at least 48 hours of notice. For rides dispersed in less than 48 hours, MTM calls the provider to confirm scheduling of the ride. If a provider rejects a trip assignment, they must notify MTM. If under 24 hours, providers must contact MTM directly (via phone) to confirm rejection. Providers could decline trips for a number of factors (e.g., distance, not enough drivers, cost concerns).

One of Reveal's primary capabilities is scheduling and sending batches of trips to each NET provider, rather than disseminating them one at a time.

Issues with Reveal

According to DOM, MTM approached DOM between October 1, 2018, and February 1, 2019,²² about upgrading its scheduling, routing, and dispatching system (i.e., migrating from its legacy AS/400 system to its Reveal system). DOM stated MTM's initial intent was to implement the Reveal system in time for the operational start of the 2018 NET contract (i.e., February 1, 2019). DOM stated they initially denied the upgrades due to concerns about potential issues that may arise due to MTM's replacement of its legacy system company-wide (30-plus states), formally delaying the implementation on March 19, 2019, until a to be determined future date. DOM was hesitant in part because of the importance of the reservation and dispatching system in providing Medicaid services (i.e., trips) to NET beneficiaries. Circa August 2021,²³ DOM staff reported they approved Reveal after MTM implemented Reveal in other states, in part because DOM staff was hopeful that most of the issues that might typically result from migrating from one IT system to another had been resolved.

DOM reported MTM's Reveal has had and continues to have implementation issues that impact the scheduling and provision of NET services. These include:

- dispatching the wrong mode required for transit (e.g., dispatching an ambulatory vehicle for a wheelchair beneficiary);
- scheduling residential pick-ups and drop-offs with incorrect or missing information (e.g., addresses missing street or apartment numbers, incorrect phone number for NET provider to verify pickup time);
- double booking providers for the same beneficiary trip;

²² DOM reported it was not able to locate a specific date.

²³ MTM began the migration and delivered necessary documentation to DOM in August 2021. DOM reported it was not able to locate a specific approval date, but DOM did review processes, forward-facing materials, and approved call flows for Reveal during this time.

- cancelling a beneficiary trip request prior to the beneficiary receiving a ride or cancelling the trip; and,
- scheduling impractical trip assignments (e.g., scheduling a provider to transport beneficiary John Doe to a 9:00 am appointment, and beneficiary Jane Doe to a 9:30 am appointment located 60 miles away).

PEER inquired if MTM needed to pull information from a DOM system as part of the migration. According to DOM, as part of the migration, MTM extracted and loaded all relevant member, transportation, and provider configuration histories into Reveal during its migration. This is data that already existed in MTM's previous system.

DOM and MTM Response to Issues Related to Reveal

In order to address issues related to Reveal, an operational council composed of MTM, four NET providers chosen by MTM, and DOM NET staff was established.

In the fourth quarter of CY 2021, a NET provider, Grove Transit, requested a forum to discuss NET operational issues following MTM's migration to Reveal in the third quarter of CY 2021. MTM coordinated with DOM and NET providers to establish an ongoing advisory session for providers to raise issues and escalate operational needs.

MTM established an operational council that meets weekly by phone. The operational council is limited to four NET providers, which are chosen by MTM. The four NET providers are Grove Transit, Your Golden Transportation, TC Express, and Reliance Transportation. According to MTM, it chose the four providers based on experience, size representation (large, mid-size), and frequency of routine interaction.

In its *CY 2021 Annual Report*, MTM reported NET providers shared concerns pertaining to the following operational issues:

- understanding of trip allocation and batch processing;
- service area and capacity management;
- differences in system function and features;
- changes to MTM's dispatching workflows;
- data transfer and download into routing systems;
- application programming interface²⁴ integration;
- data integrity and intake accuracy;
- fuel surcharges; and,
- holiday schedule process changes.

MTM and DOM both stated the weekly provider meetings are meant to be more comprehensive and technical than quarterly meetings, which are open to all 47 active NET providers.

²⁴ A two-way interchange used to provide electronic communication between MTM and NET providers (e.g., trip requests, trip disposition, GPS).

MTM holds quarterly town hall meetings to comply with the requirements under DOM's *NET Invitation for Bids #20180511*, Section 2.35, which states:

The Contractor shall submit to DOM an overview of separate plans to educate (1) NET Providers and (2) Medicaid Providers ten (10) calendar days after contract award. The two plans shall include information on training sessions, training materials, ongoing meetings with NET Providers and Medicaid Providers and continuing education.

MTM tracks attendance and records feedback to assist in planning future meetings and for reporting outcomes to MTM's Quality and Compliance Committee. Presentation topics for quarterly meetings vary according to educational needs, historical trends, compliance issues, and input from transportation providers. The quarterly meetings are usually held in Jackson due to its central location and take place after working hours. The last quarterly meeting was held in Jackson in June 2022.

Issues to be Addressed as Part of the 2023 NET Procurement Process

As part of the upcoming 2023 NET procurement process, DOM staff have been identifying gaps in the 2018 NET contract that could potentially be amended to improve transportation services for Medicaid NET beneficiaries and hold the NET vendor more accountable for noncompliance with performance standards.

DOM currently plans to continue with the NET broker model in 2023. DOM reported planning for the 2023 procurement of NET by utilizing its experiences with the 2018 NET contract, including identifying any contractual or service gaps. DOM staff stated it is tracking changes through a draft version of the NET procurement document.

Issues to address pertain to altering the payment methodology, addressing gaps in areas covered by liquidated damages, adding a clause to permit the assessment of punitive damages, altering the beneficiary satisfaction survey process, and adding methods to obtain formal feedback from non-utilizers and NET providers.

Consider altering the payment methodology to more align with services provided.

DOM should reevaluate what payment methodology it utilizes to pay the NET broker as part of the next NET contract. This includes altering the payment methodology to better align with services provided. Over the period from February 2019 to February 2022, non-utilizers comprised 91.5% of NET costs and utilizers comprised 8.5% of NET costs. If DOM were to continue with a utilization-based payment methodology, DOM should consider capping the portion of costs that is attributed to non-utilizers and/or administrative costs under the contract.

Address gaps in areas covered by liquidated damages.

DOM can assess liquidated damages for late trips and no-shows but not for trips that were never performed. However, the 2018 NET contract does not include a provision permitting DOM to assess liquidated damages for trips that the NET broker never assigned to a NET provider, and thus never performed. This could occur because MTM either never assigned the trip or because MTM could not find a NET provider to accept the trip. According to DOM, it would like to add a metric for "trips not performed" to the list of liquidated damages to the upcoming NET contract.

Add a clause to permit the assessment of punitive damages.

DOM stated it has been identifying ways to add punitive damages to the next NET contract as a penalty for failure to comply with performance measures. DOM states it needs the authority to assess punitive damages against MTM/broker for noncompliance and require that MTM/broker report such punitive penalties to CMS. According to DOM staff, penalties are permitted by courts to be punitive, but liquidated damages are not, and are therefore limited to the criteria outlined in the contract (e.g., a specified dollar amount per instance).

Amend the beneficiary satisfaction survey process.

DOM noted that it has previously discussed its concerns with MTM about the low response rate to the postal mail-out of beneficiary satisfaction surveys. DOM was advised by its procurement staff that DOM could not revert to the former version (telephone survey) during the term covered in the current contract. DOM plans to return to telephone surveys as part of the next NET contract.

Add a method to obtain formal feedback from non-utilizers.

Given the low utilization rate (less than 10%) of NET services, DOM should establish a formal process to obtain feedback from non-utilizers as to why they do not utilize the system. DOM should also formally track the non-utilizers who are eligible for fee-for-service NET as qualifying Medicaid beneficiaries, but who do not qualify to utilize the NET service because they have some other means of transit.

This would aid in determining why more than 90% of those eligible do not utilize NET services. Neither DOM nor MTM currently seek formal feedback from non-utilizers. Some questions to be asked include:

- Are non-utilizers aware of NET services?
- Are non-utilizers reasonably healthy, and therefore go to the doctor once a year or less?
- Is service not timely?
- Do non-utilizers prefer to utilize other methods of traveling to their medical appointments (e.g., walking, public transport, obtaining a ride from a friend or family member)?

Add a method to obtain formal feedback from NET providers.

As part of its oversight and monitoring of the NET broker and NET program, DOM should establish a formal process to obtain feedback from NET providers, including current issues impacting transport of beneficiaries and problematic areas related to provision of services. DOM's current NET contract does not require MTM to obtain formal feedback from providers on its system operations. Areas in which feedback might be obtained include NET provider pay rates/increases, NET broker performance, issues related to beneficiaries, and implementation challenges pertaining to MTM's new reservation and dispatching system. DOM noted that it will explore adding surveys or some other method of obtaining formal feedback from providers concerning MTM's system operations in the upcoming NET contract.

Appendix A: The Three Primary NET Delivery Models

MACPAC reported states typically deliver NET using one or more of the following models: in-house management model; broker model, or Medicaid managed care carve-in model.

While states must provide NET for their Medicaid beneficiaries, states may choose how they plan to deliver such services. MACPAC reported states typically deliver NET using one or more of the following delivery models:

- In-house management model – states manage NET directly and pay for rides on a fee-for-service basis;
- Broker model – states contract with a third-party transportation broker to manage all or some aspects of NET, paying on a capitated or fee-for-service (e.g., trip cost plus administrative fee) basis; or,
- Medicaid managed care — NET is frequently covered under managed care contracts. Managed care plans deliver NET along with other Medicaid benefits. Plans may administer the benefit directly or contract with a broker.

In 2021, MACPAC found 35 states use a broker for certain populations or geographic areas. States may either use a public or non-profit brokerage system, contract with a private broker, or opt for a mix of brokerage and fee-for-service. States that opt for the broker model may do so to keep costs consistent and predictable year-to-year, and to limit their liability and administrative costs when dealing with Medicaid regulations. In some states, a mixed model is used, oftentimes with brokerages in more populated areas and fee-for-service in less-populated areas. Colorado, Michigan, New York, and Texas all have mixed models of non-emergency medical transportation services.

MACPAC found 26 states use managed care for some populations and areas (either alone or in combination with another approach). This is up from four states in 2015.

MACPAC reported at least a dozen states, including Arizona and Texas, manage the non-emergency medical transportation benefit directly for some beneficiaries, but only five states do so for all beneficiaries.

MACPAC also reported some states (e.g., Massachusetts, Texas) incorporate a regional model as part of their NET program. Under a regional model, Broker A may manage X territory, Broker B may manage Y territory, and the state may administer Z territory. However, one of the drawbacks cited to the regional model pertains to the transport of beneficiaries across geographic lines for care. MACPAC cited Massachusetts as an example of a state planning to reduce the number of regional brokers it has.

Massachusetts plans to reduce the number of regional brokers it utilizes for NET from six to no more than three in 2021. State officials observed that many beneficiaries travel to Boston for medical visits, passing through regions managed by different brokers on the way. Massachusetts determined that it would be more efficient to reduce the number of brokers and increase the geographic area for each broker.
SOURCE: MACPAC Report, June 2021

SOURCE: Medicaid and CHIP Payment and Access Commission (MACPAC) "Mandated Report on Non-Emergency Medical Transportation," as requested by the U.S. Senate Appropriations Committee, June 2021.

Appendix B: Is there a consensus as to a preferred NET delivery model?

MACPAC found that there was no consensus (at least among its interviewees of state NET programs) as to which NET delivery model is best or most likely to lead to improved beneficiary satisfaction, efficiency, or value.

Model	Advantages of Model	Disadvantages of Model
In-house management model	<ul style="list-style-type: none"> Allows states more control over policies and operations. May enable greater coordination with other state and local transportation programs. 	<ul style="list-style-type: none"> Presents a greater administrative burden for the state; May be more vulnerable to program integrity concerns than other models; and, Offers less flexibility to innovate (e.g., implementing pay-for-performance incentives).
Broker model	<ul style="list-style-type: none"> Provides more budget predictability and typically decreases state administrative burden, particularly under a capitated arrangement. (1) Brokers typically have more expertise and capacity than state agency staff to monitor fraud or misuse, communicate regularly with beneficiaries, and explore and implement innovations such as driver performance incentives or new technologies. (2) 	<ul style="list-style-type: none"> Brokers may have a financial disincentive to authorize trips or override limits on rides under a capitated contract, even when beneficial for beneficiary health.
Managed care carve-in model	<ul style="list-style-type: none"> Typically, less administratively burdensome and provides more budget predictability than an in-house approach. Allows integration of NET with other services managed by the plan, potentially enhancing care coordination. Because MCO plans have an incentive to ensure enrollees get preventive and other necessary care to avoid more expensive care later, MCOs may override state limits or provide transportation for additional services (i.e., as value-added services) when trips are determined to add value and promote beneficiary health. MCOs may also be more likely to solicit and respond to beneficiary input. 	<ul style="list-style-type: none"> Different managed care plans in a state may individually subcontract with multiple brokers, potentially resulting in administrative inefficiencies and fragmentation.

- MACPAC noted the general consensus among interviewees was that a broker model reduces state administrative burden, but interviewees in Connecticut reported that there was no substantial reduction in administrative burden following their shift to a broker model because of the amount of oversight required.
- For example, Indiana Medicaid officials reported a large increase in NET use among their Medicaid fee-for-service population following the shift from an in-house system to a broker, which they credit to better and more frequent member education and increased awareness of the benefit as well as an easier process for requesting rides.

SOURCE: Medicaid and CHIP Payment and Access Commission (MACPAC) "Mandated Report on Non-Emergency Medical Transportation," as requested by the U.S. Senate Appropriations Committee, June 2021.

Appendix C: Modes of Transportation Offered through the NET Program

1. Ambulatory

Basic Vehicle: transportation by means of a motorized vehicle used for the transportation of passengers whose medical condition does not require use of a wheelchair, hydraulic lift, stretcher, medical monitoring, medical aid, medical care or medical treatment during transport. This does not include private automobiles and transportation through the volunteer driver program.

Commercial Carrier (Ground): transportation by means of passenger train (such as Amtrak) or buses (such as Greyhound).

Fixed Route (Public Transit): transportation by means of a public transit vehicle that follows an advertised route on an advertised schedule, does not deviate from the route or the schedule, and picks up passengers at designated stops.

Gas Mileage Reimbursement: gas reimbursement for beneficiary trips. Transportation by means of private automobile (vehicle owned by the beneficiary, relative, or other individual). This mode of transportation does not include transportation provided by the volunteer driver program.

Volunteer Driver: transportation by means of motor vehicle owned and operated by an individual within the community. The volunteer driver mode does not include global taxi technology companies, on demand transportation companies, or ride sharing services. The volunteer driver must at a minimum meet all credentialing and insurance requirements, timeliness standards, report accidents and incidents, accept/deny trip assignments, comply with policies outlined in the Contractor's volunteer driver agreement and submit claims to the Contractor.

2. Advanced Vehicle

Wheelchair/Stretcher: transportation by means of a motorized vehicle equipped specifically with certified wheelchair lifts or other equipment designed to carry persons in wheelchairs or other mobility devices, or is equipped specifically for the transportation of passengers who cannot sit upright and are required to remain in a lying position during transport. Enhanced vehicles can only be used to transport passengers that do not require medical monitoring, medical aid, medical care, or medical treatment during transport. This does not include private vehicles.

Non-Emergency (ground) Ambulance: transportation by means of a motorized vehicle equipped specifically for the transportation of a passenger whose medical condition requires transfer by stretcher with medical supervision. The passenger's condition may also require the use of medical equipment, monitoring, aid, care, or treatment, including the administration of drugs or oxygen, during the transport. The Contractor is not responsible for scheduling or reimbursement of non-emergency ground ambulance hospital to hospital transports.

3. Air

Commercial Carrier (Air): transportation by means of scheduled airline services.

Fixed Wing Non-Emergency Air Ambulance: transportation by means of a fixed-wing aircraft used for chartered air transportation of sick or injured persons who require medical attention during transport.

SOURCE: PEER analysis of Division of Medicaid *Invitation for Bids #20180511*.

Appendix D: Liquidated Damages that DOM may Assess Against MTM, per 2018 NET Contract

Performance Measure	Liquidated Damages
Failure by the Contractor to correctly authorize, schedule, and provide NET services where DOM determines that there is a pattern of such failures.	\$5,000 per calendar day
Failure by the Contractor to educate beneficiaries, Medicaid providers, and transportation providers and carriers where DOM determines that there is a pattern of such failures.	\$750 per instance
Failure by the Contractor to maintain a current Provider Manual or Operations Procedures Manual.	\$250 per calendar day
Failure by the Contractor to ensure that drivers and vehicles meet the minimum requirements, or failure by the Contractor to perform required vehicle inspections.	\$1,000 per instance
Failure by the Contractor to maintain a NET provider network sufficient to meet the standards of the contract as determined by DOM.	\$1,000 per calendar day
Failure by the Contractor to make timely payment to providers and drivers as required in this invitation for bids where DOM determines that there is a pattern of such failures.	\$1,000 per instance
Failure by the Contractor to meet the quality assurance and monitoring requirements, including the customer satisfaction survey, detailed in the quality assurance plan and monitoring plan.	\$1,000 per instance
Failure by the Contractor to develop or maintain all required electronic and data systems.	\$2,500 per calendar day
Failure by the Contractor to comply with reporting requirements set forth in this invitation for bids.	\$250 per instance, per calendar day
Failure by the Contractor to maintain staffing levels to meet the standards outlined in this invitation for bids.	\$2,500 per calendar day
Failure by the Contractor to conduct pre-transportation and post-transportation validation checks as required in this invitation for bids.	\$250 per instance
Failure by the Contractor to authorize and schedule NET services within the timeframes set forth in this invitation for bids.	\$200 per instance
Failure by the Contractor to submit to DOM, by the due date, any material required by the contract.	\$250 per instance, per calendar day
Failure by the Contractor to comply with the closeout and turnover requirements of this invitation for bids.	Up to \$25,000 (deducted from final payment to the Contractor)

Any other failure by the Contractor that DOM determines to be a substantial noncompliance with any material term of the contract and/or invitation for bids not specifically enumerated herein.	\$1–\$5,000 for each instance
Failure by the Contractor to submit timely and accurate encounter data (paid, amended, or denied).**	\$5,000 per month
Failure by the Contractor to resubmit rejected files with all required data elements in the correct format within 14 calendar days from the date the Contractor received the rejected file.**	\$500 per instance
Failure by the Contractor to adjust or void encounter claim files within 14 calendar days of notification by DOM.**	\$500 per instance
Failure by the Contractor to obtain approval in writing by DOM for material requiring DOM approval as outlined in the invitation for bids.**	\$250 per instance
Failure by the Contractor to obtain signed agreement/acknowledgment forms or submit forms to DOM in accordance with this Invitation for Bid.**	\$250 per instance, per day
Failure by the Contractor to submit a DOM-approved corrective action plan on time.**	\$500 per business day
Failure by the Contractor to successfully complete a DOM-approved corrective action plan within the timeframes outlined in the corrective action plan.**	\$500 per business day
Failure by the Contractor to submit to DOM within one business day contractor staff who no longer need access to the Mississippi Enterprise System/Mississippi Medicaid Information System.**	\$100 per business day
Failure by the Contractor to pay at least 90% of all “clean claims” ¹ within 45 days.**	\$1–\$5,000
Failure by the Contractor to pay at least 99% of all “clean claims” ¹ within 90 days.**	\$1–\$5,000

**Denotes a new failure in which DOM may assess liquidated damages.

1. A “clean claim” refers to one that can be processed without obtaining additional information from the NET provider or from a third party.

NOTE: 42 C.F.R. § 447.45 requires at least 90% of all “clean claims” from NET providers be paid within 30 days following receipt; at least 99% of all “clean claims” from NET providers be paid within 90 days following receipt unless pending for additional information. For the purposes of assessing liquidated damages, DOM established timeframes of 45 and 90 days, respectively.

SOURCE: DOM *Invitation for Bids #20180511*.

Appendix E: Comparison of Costs Incurred under the 2018 Utilization-based Payment Methodology to the Cost Cap, February 2019 through December 2021

Month/Year	Cost Cap Allocation Per Month (\$)	Month/Year	Costs Incurred to Date (\$)	Net Savings per Month
February 2019	3,024,251.68	February 2019	2,963,963.35	60,288.33
March 2019	3,024,251.68	March 2019	2,921,503.92	102,747.76
April 2019	3,024,251.68	April 2019	3,005,066.51	19,185.17
May 2019	3,024,251.68	May 2019	2,927,801.85	96,449.83
June 2019	3,024,251.68	June 2019	2,879,177.64	145,074.04
		Feb-June 2019 Reconciliation (1) (2)	340,144.05	(340,144.05)
July 2019	3,024,251.68	July 2019	2,911,973.33	112,278.35
August 2019	3,024,251.68	August 2019	2,983,085.45	41,166.23
September 2019	3,024,251.68	September 2019	2,965,983.59	58,268.09
		July-Sept 2019 Reconciliation (1)	286,570.95	(286,570.95)
October 2019	3,024,251.68	October 2019	2,989,786.29	34,465.39
November 2019	3,024,251.68	November 2019	2,872,756.85	151,494.83
December 2019	3,024,251.68	December 2019	2,832,681.45	191,570.23
		Oct-Dec 2019 Reconciliation (1)	292,546.68	(292,546.68)
January 2020	3,024,251.68	January 2020	2,844,260.24	179,991.44
February 2020	3,024,251.68	February 2020	2,884,200.95	140,050.73
March 2020	3,024,251.68	March 2020	2,920,247.98	104,003.70
		Jan-March 2020 Reconciliation (1)	195,212.85	(195,212.85)
April 2020	3,024,251.68	April 2020	2,837,133.35	187,118.33
May 2020	3,024,251.68	May 2020	3,192,299.47	(168,047.79)
June 2020	3,024,251.68	June 2020	3,207,836.14	(183,584.46)
		April-June 2020 Reconciliation (1)	145,958.01	(145,958.01)
Total - Feb 2019 to June 2020	\$51,412,278.56		\$51,400,190.90	\$12,087.66
July 2020	2,641,299.68	July 2020	3,211,381.79	(187,130.11)
August 2020	2,641,299.68	August 2020	3,249,659.22	(225,407.54)
September 2020	2,641,299.68	September 2020	3,382,763.12	(358,511.44)

		July-Sept 2020 Reconciliation	183,408.03	(183,408.03)
October 2020	2,641,299.68	October 2020	3,467,843.67	(443,591.99)
November 2020	2,641,299.68	November 2020	3,477,890.02	(453,638.34)
December 2020	2,641,299.68	December 2020	3,528,061.29	(503,809.61)
		Oct-Dec 2020 Reconciliation	215,300.88	(215,300.88)
January 2021	2,641,299.68	January 2021	3,566,969.54	(925,669.86)
February 2021	2,641,299.68	February 2021	3,626,551.60	(985,251.92)
March 2021	2,641,299.68	March 2021	3,738,832.08	(1,097,532.40)
		Jan-March 2021 Reconciliation	178,559.94	(178,559.94)
April 2021	2,641,299.68	April 2021	3,214,970.93	(573,671.25)
May 2021	2,641,299.68	May 2021	3,290,255.66	(648,955.98)
June 2021	2,641,299.68	June 2021	3,313,770.39	(672,470.71)
		April-June 2021 Reconciliation	210,880.22	(210,880.22)
July 2021	2,641,299.68	July 2021	3,722,452.22	(1,081,152.54)
August 2021	2,641,299.68	August 2021	2,375,183.24	266,116.44
September 2021	2,641,299.68	September 2021	4,628,682.86	(1,987,383.18)
		July-Sept 2021 Reconciliation	219,260.75	(219,260.75)
October 2021	2,641,299.68	October 2021	4,920,306.84	(2,279,007.16)
November 2021	2,641,299.68	November 2021	5,196,825.15	(2,555,525.47)
December 2021	2,641,299.68	December 2021	5,424,582.06	(2,783,282.38)
		Oct-Dec 2021 Reconciliation	164,511.82	(164,511.82)
Total - July 2020 to Dec 2021	\$49,841,106.24		\$68,508,903.32	\$(18,667,797.08)
35-month Cost Cap Total	\$101,253,384.80	35-Month Actual Cost Total	\$119,909,094.22	\$(18,655,709.42)
Amount Remaining under 44-month Contract Cost Cap thru September 30, 2022 of \$125,025,072.16				\$5,115,987.70

- Under the utilization-based payment methodology, MTM requests reimbursement for NET beneficiaries based on provider submittals for that particular month. However, when a provider submits trip verification to MTM for the month of June after June has ended, it is reimbursed/reconciled during the reconciliation period. DOM will make reconciliation payments under the 2018 contract on a quarterly basis, with the exception of the first reconciliation payment.
- DOM made the first reconciliation payment to MTM under the 2018 contract for the five-month period (February through June 2019) because it was the first reconciliation payment under the 2018 contract.

SOURCE: PEER analysis of 2018 NET contract payment data, as provided by the Division of Medicaid for February 2019 to December 2021.

Agency Response

OFFICE OF THE GOVERNOR

Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

September 28, 2022



MISSISSIPPI DIVISION OF
MEDICAID

Ted Booth
Executive Director
Joint Committee on Performance Evaluation and Expenditure Review
Woolfolk Building, Suite 301-A
501 N. West Street
Jackson, MS 39201

RE: A Review of the Division of Medicaid's Non-Emergency Transportation Program

Dear Mr. Booth:

Thank you for allowing the Division of Medicaid (DOM) staff to review the draft PEER audit report of the Medicaid Non-Emergency Transportation (NET) program, which is mandated by Miss. Code Ann. § 43-13-117 (A)(36). DOM appreciates the time and effort that you and your staff put into compiling this comprehensive report. Past audits have proven useful to us as we strengthen our processes to improve efficiency and effectiveness at DOM.

After reviewing the draft report, DOM concurs with the observations and recommendations in this report and plan to implement the following as a result:

- DOM's Office of Medical Services will work with DOM's Deputy of Accountability and Compliance to develop and implement an internal tracking process to be used as part of weekly, monthly, or annual NET contract monitoring efforts.
- DOM's Office of Medical Services is working with DOM's Office of Human Resources to fill a vacant position to allow DOM's NET Program Director more availability to resume field audits as outlined in IFB #20180511.
- DOM's Office of Medical Services is working with DOM's Office of Procurement to review the feedback and recommendations that would apply to the next NET procurement.

Sincerely,

A handwritten signature in blue ink that reads "Drew Snyder".

Drew L. Snyder
Executive Director
Mississippi Division of Medicaid

Toll-free 800-421-2408 | Phone 601-359-6050 | Fax 601-359-6294 | medicaid.ms.gov

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Jennifer Sebren, Deputy Director

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Matthew Dry

Matthew Holmes

Drew Johnson

Billy Loper

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Taylor Mullins

Meri Clare Ringer

Sarah Williamson

Julie Winkeljohn

Ray Wright